



OHIO AUDITOR OF STATE
KEITH FABER



**ELLA M. EVERHARD PUBLIC LIBRARY
MEDINA COUNTY
DECEMBER 31, 2023 AND 2022**

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INDEPENDENT AUDITOR'S REPORT

Ella M. Everhard Public Library
Medina County
132 Broad Street
Wadsworth, Ohio 44281

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinions

We have audited the cash-basis financial statements of the governmental activities and each major fund of Ella M. Everhard Public Library, Medina County, Ohio (the Library), as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities and each major fund of the Library, as of December 31, 2023 and 2022, and the respective changes in cash-basis financial position thereof and the budgetary comparison for the General Fund for the year then ended in accordance with the cash-basis of accounting described in Note 2.

Basis for Opinions

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

Emphasis of Matter - Accounting Basis

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 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

February 19, 2025

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Ella M. Everhard Public Library
Statement of Net Position - Cash Basis
December 31, 2023

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$6,654,584</u>
Net Position	
Unrestricted	<u>\$6,654,584</u>

See accompanying notes to the basic financial statements

Ella M. Everhard Public Library
Statement of Activities - Cash Basis
For the Year Ended December 31, 2023

Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Position
Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	
Governmental Activities				
Current:				
Library Services:				
Public Services and Programs	\$1,069,950	\$9,235	\$12,221	(\$1,048,494)
Collection Development and Processing	359,327		10,150	(349,177)
Support Services:				
Facilities Operation and Maintenance	260,833			(260,833)
Information Services	215,202			(215,202)
Business Administration	617,439			(617,439)
Capital Outlay	482,358			(482,358)
<i>Total Governmental Activities</i>	<u>\$3,005,109</u>	<u>\$9,235</u>	<u>\$22,371</u>	<u>(2,973,503)</u>
General Receipts:				
Property Taxes Levied for General Purposes				1,808,557
Other Local Taxes (Public Library Fund)				1,186,215
Unrestricted Gifts and Contributions				1,177
Grants/Entitlements not Restricted to Specific Programs				189,001
Earnings on Investments				269,982
Miscellaneous				4,562
<i>Total General Receipts</i>				<u>3,459,494</u>
Change in Net Position				485,991
<i>Net Position Beginning of Year</i>				<u>6,168,593</u>
<i>Net Position End of Year</i>				<u>\$6,654,584</u>

See accompanying notes to the basic financial statements

Ella M. Everhard Public Library
Statement of Assets and Fund Balances- Cash Basis
Governmental Funds
December 31, 2023

	General	Capital Projects Fund	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	<u><u>\$2,564,327</u></u>	<u><u>\$4,090,257</u></u>	<u><u>\$6,654,584</u></u>
Fund Balances			
Assigned	92,285	4,090,257	4,182,542
Unassigned	<u><u>2,472,042</u></u>	<u><u>0</u></u>	<u><u>2,472,042</u></u>
<i>Total Fund Balances</i>	<u><u>\$2,564,327</u></u>	<u><u>\$4,090,257</u></u>	<u><u>\$6,654,584</u></u>

See accompanying notes to the basic financial statements

Ella M. Everhard Public Library
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2023

	General	Capital Projects Fund	Total Governmental Funds
Receipts			
Property and Other Local Taxes	\$1,808,557		\$1,808,557
Public Library	1,186,215		1,186,215
Intergovernmental	189,001		189,001
Patron Fines and Fees	9,235		9,235
Contributions, Gifts and Donations	23,548		23,548
Earnings on Investments	269,982		269,982
Miscellaneous	4,562		4,562
<i>Total Receipts</i>	<i>3,491,100</i>	<i>0</i>	<i>3,491,100</i>
Disbursements			
Current:			
Library Services:			
Public Services and Programs	1,069,950		1,069,950
Collection Development and Processing	359,327		359,327
Support Services:			
Facilities Operation and Maintenance	260,833		260,833
Information Services	215,202		215,202
Business Administration	617,439		617,439
Capital Outlay	32,931	\$449,427	482,358
<i>Total Disbursements</i>	<i>2,555,682</i>	<i>449,427</i>	<i>3,005,109</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>935,418</i>	<i>(449,427)</i>	<i>485,991</i>
Other Financing Sources (Uses)			
Transfers In	0	1,000,000	1,000,000
Transfers Out	(1,000,000)	0	(1,000,000)
<i>Total Other Financing Sources (Uses)</i>	<i>(1,000,000)</i>	<i>1,000,000</i>	<i>0</i>
<i>Fund Balances Beginning of Year</i>	<i>2,628,909</i>	<i>3,539,684</i>	<i>6,168,593</i>
<i>Fund Balances End of Year</i>	<i>\$2,564,327</i>	<i>\$4,090,257</i>	<i>\$6,654,584</i>

See accompanying notes to the basic financial statements

Ella M. Everhard Public Library
*Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual - Budget Basis
 General Fund
 For the Year Ended December 31, 2023*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$1,660,804	\$1,660,804	\$1,808,557	\$147,753
Public Library	1,210,800	1,210,800	1,186,215	(24,585)
Intergovernmental	195,000	195,000	189,001	(5,999)
Patron Fines and Fees	7,600	7,600	9,235	1,635
Contributions, Gifts and Donations	12,600	12,600	23,548	10,948
Earnings on Investments	82,500	82,500	269,982	187,482
Miscellaneous	2,060	2,060	4,562	2,502
<i>Total Receipts</i>	<i>3,171,364</i>	<i>3,171,364</i>	<i>3,491,100</i>	<i>319,736</i>
Disbursements				
Current:				
Library Services:				
Public Services and Programs	1,294,863	1,250,735	1,070,453	180,282
Collection Development and Processing	551,512	543,605	440,375	103,230
Support Services:				
Facilities Operation and Maintenance	270,303	286,405	270,713	15,692
Information Services	285,505	280,665	215,623	65,042
Business Administration	803,720	844,493	617,873	226,620
Capital Outlay	42,249	42,249	32,930	9,319
<i>Total Disbursements</i>	<i>3,248,152</i>	<i>3,248,152</i>	<i>2,647,967</i>	<i>600,185</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>(76,788)</i>	<i>(76,788)</i>	<i>843,133</i>	<i>919,921</i>
Other Financing Sources (Uses)				
Transfers Out	(1,000,000)	(1,000,000)	(1,000,000)	0
<i>Total Other Financing Sources (Uses)</i>	<i>(1,000,000)</i>	<i>(1,000,000)</i>	<i>(1,000,000)</i>	<i>0</i>
<i>Unencumbered Fund Balance Beginning of Year</i>	<i>2,600,351</i>	<i>2,600,351</i>	<i>2,600,351</i>	
Prior Year Encumbrances Appropriated	28,558	28,558	28,558	
<i>Unencumbered Fund Balance End of Year</i>	<i>\$1,552,121</i>	<i>\$1,552,121</i>	<i>\$2,472,042</i>	<i>\$919,921</i>

See accompanying notes to the basic financial statements

Ella M. Everhard Public Library

Medina County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2023*

Note 1 – Description of the Library and Reporting Entity

The Ella M. Everhard Public Library (the Library) was organized as a school district public library in 1925 under the laws of the State of Ohio. The Library has its own seven-member Board of Trustees appointed by the Wadsworth City School District Board of Education, as established by section 3375.15 of the Ohio Revised Code. Appointments are for seven-year terms and members serve without compensation. Under Ohio statutes, the Library is a body politic and corporate capable of suing and being sued, contracting, acquiring, holding, possessing, and disposing of real property, and of exercising such other powers and privileges conferred upon it by law. The Library also determines and operates under its own budget. Control and management of the Library is governed by sections 3375.33 to 3375.41 of the Ohio Revised Code with the administration of the day-to-day operations of the Library being the responsibility of the Director and financial accountability being solely that of the Business Manager & Fiscal Officer.

The Library is fiscally independent of the Board of Education, although the Board of Education serves in a ministerial capacity as the taxing authority for the Library. The determination to request approval of a tax levy, the role and purpose(s) of the levy, are discretionary decisions made solely by the Board of Library Trustees. Once those decisions are made, the Board of Education must put the levy on the ballot. There is no potential for the Library to provide a financial benefit to or impose a financial burden on the Board of Education.

Under the provisions of Statement No. 14 of the Governmental Accounting Standards Board, “The Financial Reporting Entity,” the Library is considered to be a related organization of the Ohio School District.

Related Organization

The Friends of the Wadsworth Public Library is a not-for-profit organization with a self-appointing board. The Library is not financially accountable for the organization, nor does the Library approve the budget or the issuance of debt of the organization. According to GASB Statement No. 39 criteria, the economic resources received or held by the organization are not significant to the Library. Therefore, this organization has been excluded from the reporting entity of the Library.

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

Ella M. Everhard Public Library

Medina County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2023*

Note 2 - Summary of Significant Accounting Policies

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

Basis of Presentation

The Library’s basic financial statements consist of government-wide statements, including a Statement of Net Position, a Statement of Activities, and Fund Financial Statements, which provide a more detailed level of financial information.

Government-wide Financial Statements The Statement of Net Position and the Statement of Activities display information about the Library as a whole. These statements include the financial activities of the Library. The statements distinguish between those activities of the Library that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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

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

Fund Accounting

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

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

Ella M. Everhard Public Library

Medina County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2023*

Note 2 - Summary of Significant Accounting Policies (Continued)

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

Capital Projects Fund - The Capital Projects Fund accounts for and reports resources assigned by the Board of Library Trustees specifically for major capital and technology improvements.

Basis of Accounting

The Library's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Library's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Library are described in the appropriate section in this note.

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

Budgetary Process

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

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

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

Ella M. Everhard Public Library

Medina County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

Library records identify the purchase of specific investments by specific funds.

Individual fund integrity is also maintained through the Library's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents."

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

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

During 2023, the Library invested in nonnegotiable certificates of deposit, money market funds, and STAR Ohio. Investments are reported at cost, except for the money market mutual fund and STAR Ohio. The Library's money market fund investment is recorded at the amount reported by Huntington National Bank on December 31, 2023.

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

For 2023, 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 appreciated. STAR Ohio reserves the right to limit the transaction to \$250 million per day.

Interest earnings are allocated to Library funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2023 was \$269,982 which includes \$135,054 assigned from the Capital Projects Fund.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Unclaimed monies that are required to be held for five years before they may be utilized by the Library are reported as restricted.

Ella M. Everhard Public Library
Medina County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

Inventory and Prepaid Items

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

Capital Assets

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

Interfund Receivables/Payables

The Library reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Library's cash basis of accounting.

Employer Contributions to Cost-Sharing Pension Plans

The Library recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

Long-Term Obligations

The Library's cash basis financial statements do not report liabilities for long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid.

Leases and SBITAs

For 2023, GASB Statement No. 96, *Subscription-Based Technology Arrangements*, was effective. This GASB pronouncement had no effect on the Library's net position or fund balance. The Library is not the lessor/lessee (as defined by GASB 87) of any leases related to buildings, vehicles or other equipment under noncancelable leases.

The Library has entered into a noncancelable Subscription-Based Information Technology Arrangements (SBITA) contract (as defined by GASB 96) for library catalog software. This subscription asset/liability is not reflected under the Library's cash basis of accounting. Subscription disbursements are recognized when they are paid.

Ella M. Everhard Public Library

Medina County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Library did not have any restricted net position at 2023 year-end.

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:

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

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the Library for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Library Trustees or a Library official delegated that authority by resolution, or by State Statute. State Statute authorizes the Library 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 amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

Ella M. Everhard Public Library

Medina County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2023*

Note 3 – Budgetary Basis of Accounting

Internal Activity – Interfund Transfer

Interfund transfers are reported as other financing sources/uses in governmental funds. The Library had one interfund transfer during 2023 from the General Fund to the Capital Projects Fund in the amount of \$1,000,000.

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference(s) between the budgetary basis and the cash basis are as follows:

1. Outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis).
2. Outstanding year end advances are treated as an other financing source or use (budgetary basis) rather than as an interfund receivable or payable (cash basis).

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

	<u>General</u>
Cash Basis	\$2,564,327
Encumbrances	<u>92,285</u>
Budget Basis	<u><u>\$2,472,042</u></u>

Note 4 – Deposits and Investments

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

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

Inactive deposits are public deposits that the Board 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.

Ella M. Everhard Public Library

Medina County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2023

Note 4 – Deposits and Investments (Continued)

Interim monies held by the Library can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and, with certain limitations 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 have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. 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 Business Manager/Fiscal Officer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Ella M. Everhard Public Library

Medina County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2023*

Note 4 – Deposits and Investments (Continued)

At year end, the Library had \$500 in undeposited cash on hand which is included as part of “Equity in Pooled Cash and Cash Equivalents” on the financial statements.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Library will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$0 of the Library’s bank balance of \$207,546 was exposed to custodial credit risk. The Library’s financial institution was approved for a reduced collateral rate of 50 percent through the Ohio Pooled Collateral System.

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

Eligible securities pledged to the Library and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 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 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Investments

The fair value of these investments is not materially different from measurement value. As of December 31, 2023, the Library had the following investments.

	Measurement	
	Value	Maturity
STAR Ohio	\$4,201,265	Less Than One Year
Total Portfolio	<u><u>\$4,201,265</u></u>	

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

Credit Risk The Library has no investment policy dealing with investment credit risk beyond the requirements in State statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized statistical rating organization and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized statistical rating organization.

Ella M. Everhard Public Library
Medina County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 4 – Deposits and Investments (Continued)

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Library has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, “Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, governing board, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee.”

Note 5 – Grants in Aid, Property Taxes, and Tax Abatements

Grants in Aid

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

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Library. Property tax revenue received during 2023 for real and public utility property taxes represents collections of 2022 taxes.

2023 real property taxes are levied after October 1, 2023, on the assessed value as of January 1, 2023, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2023 real property taxes are collected in and intended to finance 2024.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2023 public utility property taxes which became a lien December 31, 2022, are levied after October 1, 2023, and are collected in 2024 with real property taxes.

The full tax rate for all Library operations for the year ended December 31, 2023, was \$2.75 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2023 property tax receipts were based are as follows:

Real Property	\$951,687,910
Public Utility Personal Property	<u>\$90,783,420</u>
Total	<u><u>\$1,042,471,330</u></u>

Ella M. Everhard Public Library
Medina County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 5 – Grants in Aid, Property Taxes, and Tax Abatements (Continued)

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

Tax Abatements

A tax abatement is a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

Certain local governments within the Library's service district entered into abatement agreements that reduced the 2023 tax revenue received by the Library. This information, along with the impact upon the 2023 revenue, was provided by the Medina County Auditor's Office as follows:

Ella Everhard Public Library Portion of Abated Taxes
2022 Tax Year/2023 Collection Year

District #	Taxing District	Abated Value (35%)	Abated Tax Amount	Library Millage	Library Portion of Abated Tax
040	Wadsworth City	\$3,723,220	\$223,261	2.75	\$8,244
055	Wadsworth City/ Wadsworth Twp	\$4,989,710	\$319,646	2.75	\$11,048
Total Abated Taxes					\$19,292

Note 6 - 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 contracted with three companies for various types of insurance coverage as follows:

Company	Type of Coverage	Coverage
Westfield Insurance Company	Commercial Property	\$9,932,492
	Business Income	\$60,000
	General Liability	2,000,000
	Employer Liability	1,000,000
	Business Auto	1,000,000
	Commercial Inland Marine	5,158,772
	Commercial Crime	50,000
	Commercial Umbrella	1,000,000
	Employee Benefits Liability	1,000,000
	Directors & Officers Liability	3,000,000
The Travelers Indemnity Co.	Employment Practices Liability	3,000,000
	Public Official Bonds	100,000
The Cincinnati Insurance Co.		

Ella M. Everhard Public Library

Medina County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2023*

Note 7 - Defined Benefit Pension Plan

Settled claims have not exceeded this coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – Library employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. 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. 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):

Ella M. Everhard Public Library

Medina County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2023

Note 7 - Defined Benefit Pension Plan (Continued)

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013, or five years after January 7, 2013	20 years of service credit prior to January 7, 2013, or eligible to retire ten years after January 7, 2013	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.

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.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides 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 percent. 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 percent.

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

Ella M. Everhard Public Library
Medina County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 7 - Defined Benefit Pension Plan (Continued)

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.

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

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

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

For 2023, the Library's contractually required contribution was \$177,627.

Note 8 - Postemployment Benefits

Ohio Public Employees Retirement System

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

Ella M. Everhard Public Library

Medina County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2023*

Note 8 - Postemployment Benefits (Continued)

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. 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 an 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.

Ella M. Everhard Public Library

Medina County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2023*

Note 8 - Postemployment Benefits (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 percent 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 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. 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 two percent allocation to health care for the Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving

Ella M. Everhard Public Library

Medina County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2023*

Note 8 - Postemployment Benefits (Continued)

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 2022 was 4.0 percent; 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 \$2,866 for 2023.

Note 9 – Construction and Contractual Commitments

During 2023, The Library Board of Trustees entered into the following contractual commitments that were partially or totally outstanding as of December 31, 2023.

Library Design Associates, Inc. for six (6) oak wood shelves. The contract total was \$22,993. As of December 31, 2023, the full amount was outstanding.

Yerman & Young Painting, Inc. for acoustical wallcovering. The contract total was \$9,737. As of December 31, 2023, the full amount was outstanding.

Note 10 – Use Agreement

The Wadsworth Community Center:

In 2008, the Wadsworth City Schools teamed with community partners (the City of Wadsworth, Summa Health Systems, and the Wadsworth Public Library) to take an innovative approach to a new High School/Community Center Campus and, on November 4, 2008, the voters of the Wadsworth City Schools District approved a 5.9 mill bond levy for this unique project. A groundbreaking ceremony took place on August 13, 2009 and, at the December 14, 2012 meeting of the Board of Trustees, the Library entered into a "Use, Management and Lease Agreement" for the Wadsworth Community Center; which incorporated a health center, recreation center, senior center, WCTV, and a library kiosk. (The library kiosk has since been removed.) The Library had minimal financial obligation to this community project; as it was not responsible for construction costs and the City of Wadsworth kindly agreed to allow the Library to occupy and use a 425 square foot space within the Community Center free of charge. The Library is responsible to provide the necessary furnishings and equipment for its designated space and contribute to the Community Center Enterprise Fund annually which began in 2013.

The Community Center Enterprise Fund will be used for the maintenance, repair and replacement of building components that are shared among the Community Center partners. The Wadsworth Community Center was dedicated on February 4, 2013.

Ella M. Everhard Public Library
Medina County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 11 – Fund Balances

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

Fund Balances	General Fund	Capital Projects Fund	Total
Assigned to			
Carry-over Purchase Orders	\$92,285		\$92,285
Capital Projects		\$4,090,257	4,090,257
<i>Total Assigned</i>	<i>92,285</i>	<i>4,090,257</i>	<i>4,182,542</i>
Unassigned (Deficit)	2,472,042	0	2,472,042
<i>Total Fund Balances</i>	<i>\$2,564,327</i>	<i>\$4,090,257</i>	<i>\$6,654,584</i>

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Ella M. Everhard Public Library
Statement of Net Position - Cash Basis
December 31, 2022

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$6,168,593</u>
 Net Position	
Unrestricted	<u>\$6,168,593</u>

See accompanying notes to the basic financial statements

Ella M. Everhard Public Library
Statement of Activities - Cash Basis
For the Year Ended December 31, 2022

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Current:				
Library Services:				
Public Services and Programs	\$787,100	\$8,354	\$12,761	(\$765,985)
Collection Development and Processing	273,686		170	(273,516)
Support Services:				
Facilities Operation and Maintenance	187,315			(187,315)
Information Services	247,410			(247,410)
Business Administration	776,110			(776,110)
Capital Outlay	659,357		110,000	(549,357)
<i>Total Governmental Activities</i>	<u>\$2,930,978</u>	<u>\$8,354</u>	<u>\$122,931</u>	<u>(2,799,693)</u>
General Receipts:				
Property Taxes Levied for General Purposes				1,772,690
Other Local Taxes (Public Library Fund)				1,168,083
Unrestricted Gifts and Contributions				511
Grants/Entitlements not Restricted to Specific Programs				225,842
Earnings on Investments				70,672
Miscellaneous				1,707
<i>Total General Receipts</i>				<u>3,239,505</u>
Change in Net Position				439,812
<i>Net Position Beginning of Year</i>				<u>5,728,781</u>
<i>Net Position End of Year</i>				<u>\$6,168,593</u>

See accompanying notes to the basic financial statements

Ella M. Everhard Public Library
Statement of Assets and Fund Balances- Cash Basis
Governmental Funds
December 31, 2022

	General	Capital Projects Fund	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	<u><u>\$2,628,909</u></u>	<u><u>\$3,539,684</u></u>	<u><u>\$6,168,593</u></u>
Fund Balances			
Assigned	28,558	3,539,684	3,568,242
Unassigned	<u><u>2,600,351</u></u>	<u><u>0</u></u>	<u><u>2,600,351</u></u>
<i>Total Fund Balances</i>	<u><u>\$2,628,909</u></u>	<u><u>\$3,539,684</u></u>	<u><u>\$6,168,593</u></u>

See accompanying notes to the basic financial statements

Ella M. Everhard Public Library
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2022

	General	Capital Projects Fund	Total Governmental Funds
Receipts			
Property and Other Local Taxes	\$1,772,690		\$1,772,690
Public Library	1,168,083		1,168,083
Intergovernmental	225,842		225,842
Patron Fines and Fees	8,354		8,354
Contributions, Gifts and Donations	13,442	\$110,000	123,442
Earnings on Investments	70,672		70,672
Miscellaneous	1,707		1,707
<i>Total Receipts</i>	<u>3,260,790</u>	<u>110,000</u>	<u>3,370,790</u>
Disbursements			
Current:			
Library Services:			
Public Services and Programs	787,100		787,100
Collection Development and Processing	273,686		273,686
Support Services:			
Facilities Operation and Maintenance	187,315		187,315
Information Services	247,410		247,410
Business Administration	776,110		776,110
Capital Outlay	9,120	650,237	659,357
<i>Total Disbursements</i>	<u>2,280,741</u>	<u>650,237</u>	<u>2,930,978</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>980,049</u>	<u>(540,237)</u>	<u>439,812</u>
Other Financing Sources (Uses)			
Transfers In	0	1,000,000	1,000,000
Transfers Out	<u>(1,000,000)</u>	0	<u>(1,000,000)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(1,000,000)</u>	<u>1,000,000</u>	<u>0</u>
<i>Fund Balances Beginning of Year</i>	<u>2,648,860</u>	<u>3,079,921</u>	<u>5,728,781</u>
<i>Fund Balances End of Year</i>	<u>\$2,628,909</u>	<u>\$3,539,684</u>	<u>\$6,168,593</u>

See accompanying notes to the basic financial statements

Ella M. Everhard Public Library
*Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual - Budget Basis
 General Fund
 For the Year Ended December 31, 2022*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$1,646,157	\$1,646,157	\$1,772,690	\$126,533
Public Library	1,060,291	1,060,291	1,168,083	107,792
Intergovernmental	195,000	195,000	225,842	30,842
Patron Fines and Fees	7,500	7,500	8,354	854
Contributions, Gifts and Donations	12,600	12,600	13,442	842
Earnings on Investments	6,750	6,750	70,672	63,922
Miscellaneous	2,060	2,060	1,707	(353)
<i>Total Receipts</i>	<i>2,930,358</i>	<i>2,930,358</i>	<i>3,260,790</i>	<i>330,432</i>
Disbursements				
Current:				
Library Services:				
Public Services and Programs	914,041	926,128	789,219	136,909
Collection Development and Processing	475,157	467,713	297,402	170,311
Support Services:				
Facilities Operation and Maintenance	257,414	264,500	188,126	76,374
Information Services	236,476	284,128	247,510	36,618
Business Administration	1,172,407	1,113,026	776,823	336,203
Capital Outlay	32,850	32,850	10,219	22,631
<i>Total Disbursements</i>	<i>3,088,345</i>	<i>3,088,345</i>	<i>2,309,299</i>	<i>779,046</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>(157,987)</i>	<i>(157,987)</i>	<i>951,491</i>	<i>1,109,478</i>
Other Financing Sources (Uses)				
Transfers Out	(1,000,000)	(1,000,000)	(1,000,000)	-
<i>Total Other Financing Sources (Uses)</i>	<i>(1,000,000)</i>	<i>(1,000,000)</i>	<i>(1,000,000)</i>	<i>-</i>
<i>Unencumbered Fund Balance Beginning of Year</i>	<i>2,600,836</i>	<i>2,600,836</i>	<i>2,600,836</i>	<i>-</i>
Prior Year Encumbrances Appropriated	48,024	48,024	48,024	-
<i>Unencumbered Fund Balance End of Year</i>	<i>\$1,490,873</i>	<i>\$1,490,873</i>	<i>\$2,600,351</i>	<i>\$1,109,478</i>

See accompanying notes to the basic financial statements

Ella M. Everhard Public Library

Medina County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 1 – Description of the Library and Reporting Entity

The Ella M. Everhard Public Library (the Library) was organized as a school district public library in 1925 under the laws of the State of Ohio. The Library has its own seven-member Board of Trustees appointed by the Wadsworth City School District Board of Education, as established by section 3375.15 of the Ohio Revised Code. Appointments are for seven-year terms and members serve without compensation. Under Ohio statutes, the Library is a body politic and corporate capable of suing and being sued, contracting, acquiring, holding, possessing, and disposing of real property, and of exercising such other powers and privileges conferred upon it by law. The Library also determines and operates under its own budget. Control and management of the Library is governed by sections 3375.33 to 3375.41 of the Ohio Revised Code with the administration of the day-to-day operations of the Library being the responsibility of the Director and financial accountability being solely that of the Business Manager & Fiscal Officer.

The Library is fiscally independent of the Board of Education, although the Board of Education serves in a ministerial capacity as the taxing authority for the Library. The determination to request approval of a tax levy, the role and purpose(s) of the levy, are discretionary decisions made solely by the Board of Library Trustees. Once those decisions are made, the Board of Education must put the levy on the ballot. There is no potential for the Library to provide a financial benefit to or impose a financial burden on the Board of Education.

Under the provisions of Statement No. 14 of the Governmental Accounting Standards Board, “The Financial Reporting Entity,” the Library is considered to be a related organization of the Ohio School District.

Related Organization

The Friends of the Wadsworth Public Library is a not-for-profit organization with a self-appointing board. The Library is not financially accountable for the organization, nor does the Library approve the budget or the issuance of debt of the organization. According to GASB Statement No. 39 criteria, the economic resources received or held by the organization are not significant to the Library. Therefore, this organization has been excluded from the reporting entity of the Library.

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

Ella M. Everhard Public Library

Medina County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Note 2 - Summary of Significant Accounting Policies

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

Basis of Presentation

The Library’s basic financial statements consist of government-wide statements, including a Statement of Net Position, a Statement of Activities, and Fund Financial Statements, which provide a more detailed level of financial information.

Government-wide Financial Statements The Statement of Net Position and the Statement of Activities display information about the Library as a whole. These statements include the financial activities of the Library. The statements distinguish between those activities of the Library that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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

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

Fund Accounting

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

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

Ella M. Everhard Public Library

Medina County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2022*

Note 2 - Summary of Significant Accounting Policies (Continued)

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

Capital Projects Fund - The Capital Projects accounts for and reports resources assigned by the Board of Library Trustees specifically for major capital and technology improvements.

Basis of Accounting

The Library's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Library's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Library are described in the appropriate section in this note.

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

Budgetary Process

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

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

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

Ella M. Everhard Public Library

Medina County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2022*

Note 2 - Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

Library records identify the purchase of specific investments by specific funds.

Individual fund integrity is also maintained through the Library's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents."

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

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

During 2022, the Library invested in nonnegotiable certificates of deposit, money market funds, and STAR Ohio. Investments are reported at cost, except for the money market mutual fund and STAR Ohio. The Library's money market fund investment is recorded at the amount reported by Huntington National Bank on December 31, 2022.

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

For 2022, 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 per day, 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.

Interest earnings are allocated to Library funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2022 was \$70,672 which includes \$35,844 assigned from the Capital Projects Fund.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Unclaimed monies that are required to be held for five years before they may be utilized by the Library are reported as restricted.

Ella M. Everhard Public Library
Medina County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 2 - Summary of Significant Accounting Policies (Continued)

Inventory and Prepaid Items

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

Capital Assets

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

Interfund Receivables/Payables

The Library reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Library's cash basis of accounting.

Employer Contributions to Cost-Sharing Pension Plans

The Library recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

Long-Term Obligations

The Library's cash basis financial statements do not report liabilities for long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid.

Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Library did not have any restricted net position at 2022 year-end.

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:

Ella M. Everhard Public Library

Medina County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 2 - Summary of Significant Accounting Policies (Continued)

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

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the Library for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Library Trustees or a Library official delegated that authority by resolution, or by State Statute. State Statute authorizes the Library 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 amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

Internal Activity – Interfund Transfer

Interfund transfers are reported as other financing sources/uses in governmental funds. The Library had one interfund transfer during 2022 from the General Fund to the Capital Projects Fund in the amount of \$1,000,000.

Ella M. Everhard Public Library

Medina County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2022*

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference(s) between the budgetary basis and the cash basis are as follows:

1. Outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis).
2. Outstanding year end advances are treated as an other financing source or use (budgetary basis) rather than as an interfund receivable or payable (cash basis).

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

	<u>General</u>
Cash Basis	\$2,628,909
Encumbrances	<u>28,558</u>
Budget Basis	<u><u>\$2,600,351</u></u>

Note 4 – Deposits and Investments

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

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

Inactive deposits are public deposits that the Board 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.

Interim monies held by the Library can be deposited or invested in the following securities:

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

Ella M. Everhard Public Library

Medina County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Note 4 – Deposits and Investments (Continued)

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and, with certain limitations 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 have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. 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 Business Manager/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 \$500 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

Ella M. Everhard Public Library

Medina County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2022*

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 the possession of an outside party. At year end, \$1,973 of the Library's bank balance of \$256,557 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. The Library's financial institution was approved for a reduced collateral rate of 50 percent through the Ohio Pooled Collateral System resulting in the uninsured and uncollateralized balance.

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

Eligible securities pledged to the Library and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 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 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Investments

The fair value of these investments is not materially different from measurement value. As of December 31, 2022, the Library had the following investments.

	Measurement	
	Value	Maturity
STAR Ohio	<u>\$2,898,672</u>	Less Than One Year
Total Portfolio	<u>\$2,898,672</u>	

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

Credit Risk The Library has no investment policy dealing with investment credit risk beyond the requirements in State statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized statistical rating organization and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized statistical rating organization.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Ella M. Everhard Public Library
Medina County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 4 – Deposits and Investments (Continued)

The Library has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, “Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, governing board, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee.”

Note 5 – Property Taxes and Tax Abatements

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Library. Property tax revenue received during 2022 for real and public utility property taxes represents collections of 2021 taxes.

2022 real property taxes are levied after October 1, 2022, on the assessed value as of January 1, 2022, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2022 real property taxes are collected in and intended to finance 2023.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2022 public utility property taxes which became a lien December 31, 2021, are levied after October 1, 2022, and are collected in 2023 with real property taxes.

The full tax rate for all Library operations for the year ended December 31, 2022, was \$2.75 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2022 property tax receipts were based are as follows:

Real Property	\$779,216,520
Public Utility Personal Property	<u>\$85,931,650</u>
Total	<u>\$865,148,170</u>

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

Tax Abatements

A tax abatement is a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

Ella M. Everhard Public Library
Medina County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 5 – Property Taxes and Tax Abatements (Continued)

Certain local governments within the Library's service district entered into abatement agreements that reduced the 2022 tax revenue received by the Library. This information, along with the impact upon the 2022 revenue, was provided by the Medina County Auditor's Office as follows:

Ella Everhard Public Library Portion of Abated Taxes
2021 Tax Year/2022 Collection Year

District #	Taxing District	Abated Value (35%)	Abated Tax Amount	Library Millage	Library Portion of Abated Tax
040	Wadsworth City	\$3,328,010	\$214,082	2.75	\$7,998
055	Wadsworth City/ Wadsworth Twp	\$4,752,090	\$325,915	2.75	\$11,420
Total Abated Taxes					\$19,418

Note 6 - 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 2022, the Library contracted with two companies for various types of insurance coverage as follows:

Company	Type of Coverage	Coverage
Westfield Insurance Company	Commercial Property	\$10,035,607
	Business Income	\$60,000
	General Liability	2,000,000
	Employer Liability	1,000,000
	Business Auto	1,000,000
	Commercial Inland Marine	5,158,772
	Commercial Crime	50,000
	Commercial Umbrella	1,000,000
	Public Official Bonds	50,000
	Employee Benefits Liability	1,000,000
The Travelers Indemnity Co.	Directors & Officers Liability &	
	Entity Liability	3,000,000
	Employment Practices Liability	3,000,000

Settled claims have not exceeded this coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

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

Ella M. Everhard Public Library
Medina County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 7 - Defined Benefit Pension Plan

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – Library employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. 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

Ella M. Everhard Public Library

Medina County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 7 - Defined Benefit Pension Plan (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.

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.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides 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 percent. 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 percent.

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. 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 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

Effective January 1, 2022, the Combined Plan is no longer available for member selection.

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

Ella M. Everhard Public Library
Medina County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 7 - Defined Benefit Pension Plan (Continued)

	<u>State and Local</u>
2022 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2022 Actual Contribution Rates	
Employer:	
Pension ****	14.0 %
Post-employment Health Care Benefits ****	0.0
<hr/>	
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

**** 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.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Library's contractually required contribution was \$167,418 for the year 2022.

Note 8 - Postemployment Benefits

Ohio Public Employees Retirement System

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

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

Ella M. Everhard Public Library

Medina County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2022*

Note 8 - Postemployment Benefits (Continued)

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

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.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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 requiring 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 and the combined plan.

Ella M. Everhard Public Library

Medina County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 8 - Postemployment Benefits (Continued)

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, state and local employers contributed at a rate of 14.0 percent of earnable salary. This is 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 2022, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and 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 2022 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Library's contractually required contribution was \$236 for the year 2022.

Note 9 – Construction and Improvement of Facilities

In 2000, the Board of Library Trustees of Ella M. Everhard Public Library submitted to the Wadsworth City School District a bond issue to be used for improvements to the Library. The Wadsworth City School District serves as the taxing authority and issues tax related debt on behalf of the Library, although their role is limited to a ministerial function. The determination to request approval of a tax levy, the rate, and the purpose are discretionary decisions made solely by the Library Board of Trustees.

With approval of the bond issue in 2000, the School District issued bond anticipation notes in the amount of \$5,600,000 in 2000. During 2001, the notes were rolled into bonds. Because the bonds are a general obligation of the Wadsworth City School District, the long-term obligation is excluded from the general long-term obligations of the Library. The receipt and expenditure of the proceeds from the property tax levy for the retirement of the debt is reflected in the School District's bond retirement fund.

During 2016, the Wadsworth City School District refunded the outstanding Library Improvement Bonds. The District sold a 2016 issue of \$2,435,000 with six years until full maturity. This resulted in a net present value savings of 8.3% and a total savings of \$216,903.

On December 1, 2022, the final principal and interest payment was made and the bond issue was paid off in full.

Ella M. Everhard Public Library
Medina County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 10 – Construction and Contractual Commitments

During 2022, The Library Board of Trustees entered into the following contractual commitments that were partially or totally outstanding as of December 31, 2022.

Williams Architects for the investigation, planning, design, and management of roof and building façade repairs. The contract total was \$34,655 which included \$1,500 max on billable expenses. As of December 31, 2022, the amount paid toward the contract was \$32,535.

WR Restoration for exterior masonry repair. The contract totaled \$33,800 and was increased by a change order for a new contract total of \$37,842. As of December 31, 2022, the amount paid toward the contract was \$14,950.

Kane Painting LLC to paint certain interior walls. The contract in the amount of \$31,215 was executed in October 2022 and work commenced late in the year. As of December 31, 2022, the entire amount was due and payable to the vendor.

Note 11 – Use Agreement

The Wadsworth Community Center:

In 2008, the Wadsworth City Schools teamed with community partners (the City of Wadsworth, Summa Health Systems, and the Wadsworth Public Library) to take an innovative approach to a new High School/Community Center Campus and, on November 4, 2008, the voters of the Wadsworth City Schools District approved a 5.9 mill bond levy for this unique project. A groundbreaking ceremony took place on August 13, 2009 and, at the December 14, 2012 meeting of the Board of Trustees, the Library entered into a “Use, Management and Lease Agreement” for the Wadsworth Community Center; which incorporates a health center, recreation center, senior center, WCTV, and a library kiosk. The Library had minimal financial obligation to this community project; as it was not responsible for construction costs and the City of Wadsworth kindly agreed to allow the Library to occupy and use a 425 square foot space within the Community Center free of charge. The Library is responsible to provide the necessary furnishings and equipment for its designated space and contribute to the Community Center Enterprise Fund annually at \$.50 per square foot which began in 2013.

The Community Center Enterprise Fund will be used for the maintenance, repair and replacement of building components that are shared among the Community Center partners. The Wadsworth Community Center was dedicated on February 4, 2013.

Note 12 – Fund Balances

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

Ella M. Everhard Public Library
Medina County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 12 – Fund Balances (Continued)

Fund Balances	General Fund	Capital Projects Fund	Total
Assigned to			
Carry-over Purchase Orders	\$28,558		\$28,558
Capital Projects		\$3,539,684	3,539,684
<i>Total Assigned</i>	<i>28,558</i>	<i>3,539,684</i>	<i>3,568,242</i>
Unassigned (Deficit)	2,600,351	0	2,600,351
<i>Total Fund Balances</i>	<i>\$2,628,909</i>	<i>\$3,539,684</i>	<i>\$6,168,593</i>

Note 13 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2022, the Library did not receive COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Library. The impact on the Library's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
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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

Ella M. Everhard Public Library
Medina County
132 Broad Street
Wadsworth, Ohio 44281

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*, the cash-basis financial statements of the governmental activities and each major fund of Ella M. Everhard Public Library, Medina County, Ohio (the Library) as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements and have issued our report thereon dated February 19, 2025, wherein we noted the Library uses a special purpose framework other than generally accepted accounting principles.

Report on Internal Control Over Financial Reporting

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

Ella M. Everhard Public Library
Medina County
Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

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

February 19, 2025

OHIO AUDITOR OF STATE KEITH FABER



ELLA M. EVERHARD PUBLIC LIBRARY

MEDINA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 3/11/2025

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

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