



OHIO AUDITOR OF STATE  
**KEITH FABER**





LOUISVILLE PUBLIC LIBRARY  
STARK COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report .....	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2024.....	5
Notes to the Financial Statements For the Year Ended December 31, 2024.....	7
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2023.....	19
Notes to the Financial Statements For the Year Ended December 31, 2023.....	21
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	31

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Louisville Public Library  
Stark County  
700 Lincoln Avenue  
Louisville, Ohio 44641

To the Board of Trustees:

### Report on the Audit of the Financial Statements

#### ***Unmodified and Adverse Opinions***

We have audited the financial statements of the Louisville Public Library, Stark County, Ohio (the Library), which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements.

#### ***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Library, as of December 31, 2024 and 2023, or the changes in financial position thereof for the year then ended.

#### ***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.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 2 of the financial statements, the financial statements are prepared by the Library on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

***Emphasis of Matter***

As discussed in Note 3 to the financial statements, during 2023, the Library has elected to change its financial presentation from a cash-basis of accounting comparable to the requirements of Governmental Accounting Standards to the regulatory cash-basis presentation. 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 financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. 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.

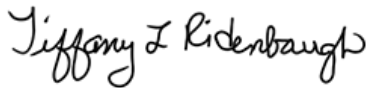
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, 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 November 13, 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  
Ohio Auditor of State



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

November 13, 2025

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**LOUISVILLE PUBLIC LIBRARY  
STARK COUNTY, OHIO**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2024

	General	Debt Service	Capital Projects	Combined Total
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 315,644	\$ -	\$ -	\$ 315,644
Public Library	715,885	-	-	715,885
Intergovernmental	42,726	-	-	42,726
Patron Fines and Fees	8,394	-	-	8,394
Services Provided to Other Entities	30,507	-	-	30,507
Contributions, Gifts and Donations	847	-	299,899	300,746
Earnings on Investments	8,007	2,346	181,925	192,278
Miscellaneous	23,256	-	66,750	90,006
<i>Total Cash Receipts</i>	<u>1,145,266</u>	<u>2,346</u>	<u>548,574</u>	<u>1,696,186</u>
<b>Cash Disbursements</b>				
Current:				
Library Services:				
Public Services and Programs	268,472	-	-	268,472
Collection Development and Processing	205,224	-	-	205,224
Support Services:				
Facilities Operation and Maintenance	70,608	-	-	70,608
Information Services	105,418	-	-	105,418
Business Administration	367,299	-	-	367,299
Capital Outlay	6,782	-	3,349,866	3,356,648
Debt Service:				
Principal Retirement	-	20,000	-	20,000
Interest	-	113,559	-	113,559
Note Issuance Costs	-	82,185	-	82,185
<i>Total Cash Disbursements</i>	<u>1,023,803</u>	<u>215,744</u>	<u>3,349,866</u>	<u>4,589,413</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>121,463</u>	<u>(213,398)</u>	<u>(2,801,292)</u>	<u>(2,893,227)</u>
<b>Other Financing Receipts (Disbursements)</b>				
Sale of Notes	-	-	3,400,000	3,400,000
Premium on Sale of Notes	-	99,471	-	99,471
Sale of Capital Assets	-	-	153,770	153,770
Transfers In	-	116,273	102,200	218,473
Transfers Out	(218,473)	-	-	(218,473)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(218,473)</u>	<u>215,744</u>	<u>3,655,970</u>	<u>3,653,241</u>
<i>Net Change in Fund Cash Balances</i>	(97,010)	2,346	854,678	760,014
<i>Fund Cash Balances, January 1</i>	<u>331,489</u>	<u>-</u>	<u>1,319,768</u>	<u>1,651,257</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 234,479</u>	<u>\$ 2,346</u>	<u>\$ 2,174,446</u>	<u>\$ 2,411,271</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

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**LOUISVILLE PUBLIC LIBRARY  
STARK COUNTY, OHIO**

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

**NOTE 1 - REPORTING ENTITY**

The Louisville Public Library (the Library) was organized as a school district public library in 1935 under the laws of the State of Ohio. The Library has its own seven member Board of Trustees who are appointed by the Louisville 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 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 Louisville City School District. The Library participates in one public entity risk pool, the Stark County Schools Council of Government (the "Council"). The Council has a Health Benefits Program which is a shared risk pool comprised of over 150 entities, most of which are school districts. The Library provides health insurance coverage through the Council. The Council also provides a Workers' Compensation group rating plan which is an insurance purchasing pool, but the Library does not participate in this program. The Council is governed by an assembly which consists of one representative from each participating school district or other entity (usually the superintendent, director or designee). The assembly elects officers for one-year terms to serve as the Board of Directors. The assembly exercises control over the operation of the Council. All Council revenues are generated from charges for services. This organization, the Ohio Plan Risk Management, Inc. (OPRM) and the Sheakley/Better Business Bureau of Central Ohio Inc. Group Rating Plan (GRP) are further described in Note 8 of the Notes to the Financial Statements.

The Friends of the Louisville Public Library, Inc. 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. Therefore, this organization has been excluded from the reporting entity of the Library.

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

The Library's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which are organized on a fund type basis.

**LOUISVILLE PUBLIC LIBRARY  
STARK COUNTY, OHIO**

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

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

***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 funds of the Library are presented below:

***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.

***Debt Service Fund*** This fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

***Capital Project Funds*** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Library had the following significant capital project fund:

***21st Century Building Fund*** - The 21st Century Building Fund accounts for and reports resources committed by the Board of Library Trustees specifically to build a new library and/or renovate the existing Discovery Center with the intent of building on in phases as monies are available. Donations for this purpose are also accepted into this Fund.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Library recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

***Budgetary Process***

The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end. Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund and function level of control.

A summary of 2024 budgetary activity appears in Note 4.

***Deposits and Investments***

The Library's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Investment in STAR Ohio is measured 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.

**LOUISVILLE PUBLIC LIBRARY  
STARK COUNTY, OHIO**

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

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

***Capital Assets***

The Library records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

***Accumulated Leave***

Library employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

***Leases and SBITAs***

The Library is the lessee in various leases (as defined by GASB 87) related to equipment under noncancelable leases. Lease disbursements are recognized when they are paid.

The Library has entered into noncancelable Subscription-Based Information Technology Arrangements (SBITA) contracts (as defined by GASB 96) for several types of software including contracts related to financial systems and various other software. Subscription disbursements are recognized when they are paid.

***Fund Balance***

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

***Nonspendable*** The Library classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Library and the nonspendable portion of the corpus in permanent funds.

***Restricted*** Fund balance is *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 Board of Trustees can *commit* amounts via formal action (resolution). The Library must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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

**LOUISVILLE PUBLIC LIBRARY  
STARK COUNTY, OHIO**

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

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 13.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**Change in Accounting Principles**

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

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

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

GASB Statement No. 100 is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The implementation of GASB Statement No. 100 did not have an effect on the financial statements of the Library.

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

GASB Statement No. 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The implementation of GASB Statement No. 101 did not have an effect on the financial statements of the Library.

**LOUISVILLE PUBLIC LIBRARY  
STARK COUNTY, OHIO**

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

**NOTE 4 - BUDGETARY ACTIVITY**

Budgetary activity for the year ending 2024 follows:

2024 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,143,645	\$ 1,145,266	\$ 1,621
Debt Service	133,559	218,090	84,531
Capital Projects	4,263,970	4,204,544	(59,426)
Total	\$ 5,541,174	\$ 5,567,900	\$ 26,726

2024 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,563,489	\$ 1,245,589	\$ 317,900
Debt Service	133,559	215,744	(82,185)
Capital Projects	4,316,043	3,349,866	966,177
Total	\$ 6,013,091	\$ 4,811,199	\$ 1,201,892

**NOTE 5 - DEPOSITS AND INVESTMENTS**

Monies held by the Library are classified by State statute into three categories:

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

Inactive deposits are public deposits that the Board 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 may be deposited or invested in the following securities:

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

**LOUISVILLE PUBLIC LIBRARY  
STARK COUNTY, OHIO**

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

**NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)**

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. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Library, and must be purchased with the expectation that it will be held to maturity.

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

At December 31, 2024, the Library had \$150 in un-deposited cash on hand which is included as part of fund cash balances on the financial statements.

**A. Deposits**

At December 31, 2024, the carrying amount of all Library deposits was \$112,836. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of December 31, 2024, all of the Library’s bank balance of \$160,547 was covered by the FDIC.

**B. Investments**

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

Investment type	Carrying Value	Investment Maturities 6 months or less
STAR Ohio	\$ 2,298,285	\$ 2,298,285
Total	\$ 2,298,285	\$ 2,298,285

*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 limiting investment portfolio maturities to five years or less.



**LOUISVILLE PUBLIC LIBRARY  
STARK COUNTY, OHIO**

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

**NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)**

*Credit Risk* - Standard & Poor's has assigned STAR Ohio an AAAM money market rating. STAR Ohio must maintain the highest letter or numerical rating provided by at least one nationally recognized standard rating service. The Library has no investment policy dealing with investment credit risk beyond the requirements in State statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

*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 requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

*Concentration of Credit Risk* - The following table includes the percentage of each investment type held by the Library at December 31, 2024:

<u>Investment type</u>	<u>Carrying Value</u>	<u>% of Total</u>
STAR Ohio	\$ 2,298,285	100.00
Total	<u>\$ 2,298,285</u>	<u>100.00</u>

**C. Reconciliation of Cash and Investments to the Combining Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis)**

The following is a reconciliation of cash and investments are reported in the note above to cash and investments as reported on the financial statements as of December 31, 2024:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 112,836
Carrying amount of investments	2,298,285
Cash on hand	<u>150</u>
Total	<u>\$ 2,411,271</u>

<u>Cash and investments per statement of receipts, disbursements and changes in fund balances</u>	
General fund	\$ 234,479
Debt service funds	2,346
Capital project funds	<u>2,174,446</u>
Total	<u>\$ 2,411,271</u>

**NOTE 6 - GRANTS IN AID AND TAXES**

***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.

**LOUISVILLE PUBLIC LIBRARY  
STARK COUNTY, OHIO**

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

**NOTE 6 - GRANTS IN AID AND TAXES - (Continued)**

***Property Taxes***

Real property taxes become a lien on January 1 preceding the October 1 date for which the taxing authority of the subdivision to whose jurisdiction the Library is subject adopts rates. The State Department of Taxation, Division of Tax Equalization, adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Other Governments' Grants In Aid. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the taxing district.

The County is responsible for assessing property and for billing, collecting, and distributing all property taxes on behalf of the Library.

The full tax rate for all Library operations for the year ended December 31, 2024, was \$1.00 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2024 property tax receipts were based are as follows:

Real Property	\$ 456,765,590
Public Utility Personal Property	<u>31,157,500</u>
Total	<u>\$ 487,923,090</u>

**NOTE 7 - INTERFUND BALANCES AND TRANSFERS**

***Transfers***

During 2024, the Board of Trustees approved by resolution the following:

- Transfer from the General Fund to the 21<sup>st</sup> Century Building Fund in the amount of \$102,200.
- Transfer from the General Fund to the Debt Service Fund in the amount of \$116,273.

**NOTE 8 - RISK MANAGEMENT**

***Ohio Plan Risk Management - Risk Pool Membership***

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

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

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

**LOUISVILLE PUBLIC LIBRARY  
STARK COUNTY, OHIO**

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

**NOTE 8 - RISK MANAGEMENT - (Continued)**

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

Assets	\$ 24,456,615
Liabilities	<u>(16,692,162)</u>
Members’ Equity	<u>\$ 7,764,453</u>

You can read the complete audited financial statements for OPRM at the Plan’s website, [www.ohioplan.org](http://www.ohioplan.org).

***Workers Compensation***

The Library participates in the Sheakley/Better Business Bureau of Central Ohio Inc. Group Rating Plan (GRP) for worker’s compensation. The intent of the GRP is to achieve the benefit of reduced premiums for the participants, foster safer working conditions and foster cost-effective claims management skills by virtue of its grouping and representation with other participants in the GRP. The workers’ compensation experience of the participating entities is calculated as one experience and a common premium is applied to all entities in the GRP. Each participant pays its workers’ compensation premium to the state based on the rate for all entities in the GRP rather than its individual rate. Total savings are then calculated and each participant’s individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the “Equity Pooling Fund.” This “equity pooling” arrangement insures that each participant shares equally in the overall performance of the GRP. Sheakley provides administrative, cost control and actuarial services to the GRP.

***Health Insurance - Stark County Schools Council of Governments Health Benefits Program***

The Library has contracted with the Stark County Schools Council of Governments Health Benefits Program to provide employee medical/surgical benefits. The Stark County Schools Council’s Health Benefits Program is a shared risk pool comprised of over 150 entities, most of which are school districts. Rates are set through an annual calculation process. The Library pays a monthly contribution which is paid in a common fund from which claim payments are made for all participants regardless of claims flow. The Board of Directors has the right to return monies to an existing entity subsequent to the settlements of all expenses and claims. The Library pays health premiums of \$1,017.66 for single coverage per employee per month for full time employees if elected. Of this amount, the employee contributes 15% or \$152.65. Family coverage is available but the employee contributes 100% of the difference between single and family coverage. The Library offers dental and vision coverage to the full-time employees also but the employee contributes 100% of the premium. Financial information and statements can be obtained from the Stark County Schools Council of Governments, 6057 Strip Ave. NW, North Canton, OH 44720.

**NOTE 9 - DEFINED BENEFIT PENSION PLANS**

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

The Library’s employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10.00% of their gross salaries and the Library contributed an amount equaling 14.00% of participants’ gross salaries. The Library has paid all contributions required through December 31, 2024.

**LOUISVILLE PUBLIC LIBRARY  
STARK COUNTY, OHIO**

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

**NOTE 10 - POSTEMPLOYMENT BENEFITS**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2024, the portion of OPERS employer contributions allocated to health care was 0.00% for members in the traditional pension plan and 2.00% for members in the combined plan. For 2024, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.00%; however, a portion of the health care rate was funded with reserves.

**NOTE 11 - DEBT**

Debt outstanding on December 31, 2024, was as follows:

	Principal	Interest Rate
Library Facilities Notes, Series 2024	\$ 3,380,000	4.50% - 5.50%
Total	\$ 3,380,000	

The Library issued its Library Facilities Notes, Series 2024 to provide funds for the purpose of constructing, furnishing, equipping and otherwise improving a new library building. The Series 2024 Notes have a total par amount of \$3,400,000, the proceeds of which all will contribute to the construction of the Library. The Notes were issued in the amount of \$3,400,000 for a term of 36 years at interest rates ranging from 4.50% to 5.50%. Note principal is due December 1<sup>st</sup> of each year, including a principal payment of \$20,000 that was made on December 1, 2024. Note interest is due on June 1<sup>st</sup> and December 1<sup>st</sup> of each year through December 1, 2060.

***Amortization***

Amortization of the above debt, including interest, is scheduled as follows:

Year Ending December 31:	Library Facilities Notes Series 2024
2025	\$ 200,862
2026	199,112
2027	197,362
2028	200,613
2029	198,613
2030-2034	1,004,100
2035-2039	997,688
2040-2044	997,400
2045-2049	998,375
2050-2054	1,000,125
2055-2059	999,525
2060	198,550
Total	\$ 7,192,325

**LOUISVILLE PUBLIC LIBRARY  
STARK COUNTY, OHIO**

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

**NOTE 12 - CONTINGENT LIABILITIES**

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

**NOTE 13 - FUND BALANCES**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>
Outstanding Encumbrances	<u>\$ 3,313</u>
Total	<u>\$ 3,313</u>

The fund balance of capital projects funds are committed. The fund balance of the debt service fund is restricted. These restricted and committed amounts in the capital projects funds and debt service fund include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

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**LOUISVILLE PUBLIC LIBRARY  
STARK COUNTY, OHIO**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2023

	General	Capital Projects	Combined Total
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 313,593	\$ -	\$ 313,593
Public Library	755,584	-	755,584
Intergovernmental	46,956	-	46,956
Patron Fines and Fees	9,421	-	9,421
Services Provided to Other Entities	25,839	-	25,839
Contributions, Gifts and Donations	2,526	234,758	237,284
Earnings on Investments	7,484	55,884	63,368
Miscellaneous	22,734	-	22,734
<i>Total Cash Receipts</i>	<u>1,184,137</u>	<u>290,642</u>	<u>1,474,779</u>
<b>Cash Disbursements</b>			
Current:			
Library Services:			
Public Services and Programs	281,969	-	281,969
Collection Development and Processing	239,249	-	239,249
Support Services:			
Facilities Operation and Maintenance	81,742	-	81,742
Information Services	106,200	-	106,200
Business Administration	366,479	-	366,479
Capital Outlay	5,071	116,485	121,556
<i>Total Cash Disbursements</i>	<u>1,080,710</u>	<u>116,485</u>	<u>1,197,195</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>103,427</u>	<u>174,157</u>	<u>277,584</u>
<b>Other Financing Receipts (Disbursements)</b>			
Transfers In	-	360,000	360,000
Transfers Out	(210,000)	(150,000)	(360,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(210,000)</u>	<u>210,000</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	(106,573)	384,157	277,584
<i>Fund Cash Balances, January 1 (restated)</i>	<u>438,062</u>	<u>935,611</u>	<u>1,373,673</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 331,489</u>	<u>\$ 1,319,768</u>	<u>\$ 1,651,257</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

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**LOUISVILLE PUBLIC LIBRARY  
STARK COUNTY, OHIO**

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

**NOTE 1 - REPORTING ENTITY**

The Louisville Public Library (the Library) was organized as a school district public library in 1935 under the laws of the State of Ohio. The Library has its own seven member Board of Trustees who are appointed by the Louisville 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 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 Louisville City School District. The Library participates in one public entity risk pool, the Stark County Schools Council of Government (the "Council"). The Council has a Health Benefits Program which is a shared risk pool comprised of 174 entities, most of which are school districts. The Library provides health insurance coverage through the Council. The Council also provides a Workers' Compensation group rating plan which is an insurance purchasing pool, but the Library does not participate in this program. The Council is governed by an assembly which consists of one representative from each participating school district or other entity (usually the superintendent, director or designee). The assembly elects officers for one-year terms to serve as the Board of Directors. The assembly exercises control over the operation of the Council. All Council revenues are generated from charges for services. This organization, the Ohio Plan Risk Management, Inc. (OPRM) and the Sheakley/Better Business Bureau of Central Ohio Inc. Group Rating Plan (GRP) are further described in Note 8 of the Notes to the Financial Statements.

The Friends of the Louisville Public Library, Inc. 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. Therefore, this organization has been excluded from the reporting entity of the Library.

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

The Library's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which are organized on a fund type basis.

**LOUISVILLE PUBLIC LIBRARY  
STARK COUNTY, OHIO**

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

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

***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 funds of the Library are presented below:

***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 Project Funds*** These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Library had the following significant capital project funds:

***Maintenance & Repair Fund*** - The Maintenance and Repair Fund accounts for and reports resources committed by the Board of Library Trustees specifically for major capital and technology improvements and major repairs and maintenance.

***21st Century Building Fund*** - The 21st Century Building Fund accounts for and reports resources committed by the Board of Library Trustees specifically to build a new library and/or renovate the existing Discovery Center with the intent of building on in phases as monies are available. Donations for this purpose are also accepted into this Fund.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Library recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

***Budgetary Process***

The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end. Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund and function level of control.

A summary of 2023 budgetary activity appears in Note 4.

***Deposits and Investments***

The Library's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Investment in STAR Ohio is measured 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.

**LOUISVILLE PUBLIC LIBRARY  
STARK COUNTY, OHIO**

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

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

***Capital Assets***

The Library records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

***Accumulated Leave***

Library employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

***Leases and SBITAs***

The Library is the lessee in various leases (as defined by GASB 87) related to equipment under noncancelable leases. Lease disbursements are recognized when they are paid.

The Library has entered into noncancelable Subscription-Based Information Technology Arrangements (SBITA) contracts (as defined by GASB 96) for several types of software including contracts related to financial systems and various other software. Subscription disbursements are recognized when they are paid.

***Fund Balance***

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

***Nonspendable*** The Library classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Library and the nonspendable portion of the corpus in permanent funds.

***Restricted*** Fund balance is *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 Board of Trustees can *commit* amounts via formal action (resolution). The Library must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

***Unassigned*** Unassigned fund balance is the residual classification for the general fund and includes amounts not included 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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 12.

**LOUISVILLE PUBLIC LIBRARY  
STARK COUNTY, OHIO**

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

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

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

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

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the Library.

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

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

**B. Reclassification of Presentation**

During 2023, the Library switched to the accounting regulatory basis, the basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). The switch had the following effect on governmental fund presentation at January 1, 2023:

	<u>General</u>	Maintenance & Repair <u>Fund</u>	21st Century Building <u>Fund</u>	Capital <u>Projects</u>	<u>Total</u>
Fund balance at 12/31/2022	\$ 438,062	\$ 254,032	\$ 681,579	\$ -	\$ 1,373,673
Reclassification of presentation	-	(254,032)	(681,579)	935,611	-
Fund cash balance, 1/1/2023 (restated)	<u>\$ 438,062</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 935,611</u>	<u>\$ 1,373,673</u>

**LOUISVILLE PUBLIC LIBRARY  
STARK COUNTY, OHIO**

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

**NOTE 4 - BUDGETARY ACTIVITY**

Budgetary activity for the year ending 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,167,518	\$ 1,184,137	\$ 16,619
Capital Projects	360,500	650,642	290,142
Total	\$ 1,528,018	\$ 1,834,779	\$ 306,761

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,423,517	\$ 1,308,249	\$ 115,268
Capital Projects	335,000	311,485	23,515
Total	\$ 1,758,517	\$ 1,619,734	\$ 138,783

**NOTE 5 - DEPOSITS AND INVESTMENTS**

Monies held by the Library are classified by State statute into three categories:

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

Inactive deposits are public deposits that the Board 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 may be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

**LOUISVILLE PUBLIC LIBRARY  
STARK COUNTY, OHIO**

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

**NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)**

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. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Library, and must be purchased with the expectation that it will be held to maturity.

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

At December 31, 2023, the Library had \$150 in un-deposited cash on hand which is included as part of fund cash balances on the financial statements.

**A. Deposits**

At December 31, 2023, the carrying amount of all Library deposits, including \$226,466 in non-negotiable certificates of deposit, was \$441,910. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of December 31, 2023, all of the Library’s bank balance of \$423,945 was covered by the FDIC.

**B. Investments**

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

Investment type	Carrying Value	Investment Maturities 6 months or less
STAR Ohio	\$ 1,209,197	\$ 1,209,197
Total	\$ 1,209,197	\$ 1,209,197

*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 limiting investment portfolio maturities to five years or less.

**LOUISVILLE PUBLIC LIBRARY  
STARK COUNTY, OHIO**

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

**NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)**

*Credit Risk* - Standard & Poor's has assigned STAR Ohio an AAAM money market rating. STAR Ohio must maintain the highest letter or numerical rating provided by at least one nationally recognized standard rating service. The Library has no investment policy dealing with investment credit risk beyond the requirements in State statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

*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 requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

*Concentration of Credit Risk* - The following table includes the percentage of each investment type held by the Library at December 31, 2023:

<u>Investment type</u>	<u>Carrying Value</u>	<u>% of Total</u>
STAR Ohio	\$ 1,209,197	100.00
Total	<u>\$ 1,209,197</u>	<u>100.00</u>

**C. Reconciliation of Cash and Investments to the Combining Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis)**

The following is a reconciliation of cash and investments are reported in the note above to cash and investments as reported on the financial statements as of December 31, 2023:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 441,910
Carrying amount of investments	1,209,197
Cash on hand	<u>150</u>
Total	<u>\$ 1,651,257</u>
 <u>Cash and investments per statement of net position</u>	
General fund	\$ 331,489
Capital project funds	<u>1,319,768</u>
Total	<u>\$ 1,651,257</u>

**NOTE 6 - GRANTS IN AID AND TAXES**

***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.

**LOUISVILLE PUBLIC LIBRARY  
STARK COUNTY, OHIO**

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

**NOTE 6 - GRANTS IN AID AND TAXES - (Continued)**

***Property Taxes***

Real property taxes become a lien on January 1 preceding the October 1 date for which the taxing authority of the subdivision to whose jurisdiction the Library is subject adopts rates. The State Department of Taxation, Division of Tax Equalization, adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Other Governments' Grants In Aid. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the taxing district.

The County is responsible for assessing property and for billing, collecting, and distributing all property taxes on behalf of the Library.

The full tax rate for all Library operations for the year ended December 31, 2023, was \$1.00 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	\$ 452,781,280
Public Utility Personal Property	<u>29,569,470</u>
Total	<u>\$ 482,350,750</u>

**NOTE 7 - INTERFUND TRANSFERS**

***Transfers***

During 2023, the Board of Trustees approved by resolution the following:

Transfer from the General Fund to the 21<sup>st</sup> Century Building Fund in the amount of \$210,000.

Transfer from the Maintenance & Repair Fund to the 21<sup>st</sup> Century Building Fund in the amount of \$150,000.

**NOTE 8 - RISK MANAGEMENT**

***Ohio Plan Risk Management - Risk Pool Membership***

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

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

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



**LOUISVILLE PUBLIC LIBRARY  
STARK COUNTY, OHIO**

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

**NOTE 8 - RISK MANAGEMENT - (Continued)**

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

Assets	\$ 23,113,696
Liabilities	<u>(16,078,587)</u>
Members' Equity	<u>\$ 7,035,109</u>

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

***Workers Compensation***

The Library participates in the Sheakley/Better Business Bureau of Central Ohio Inc. Group Rating Plan (GRP) for worker's compensation. The intent of the GRP is to achieve the benefit of reduced premiums for the participants, foster safer working conditions and foster cost-effective claims management skills by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating entities is calculated as one experience and a common premium is applied to all entities in the GRP. Each participant pays its workers' compensation premium to the state based on the rate for all entities in the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Sheakley provides administrative, cost control and actuarial services to the GRP.

***Health Insurance - Stark County Schools Council of Governments Health Benefits Program***

The Library has contracted with the Stark County Schools Council of Governments Health Benefits Program to provide employee medical/surgical benefits. The Stark County Schools Council's Health Benefits Program is a shared risk pool comprised of 174 entities, most of which are school districts. Rates are set through an annual calculation process. The Library pays a monthly contribution which is paid in a common fund from which claim payments are made for all participants regardless of claims flow. The Board of Directors has the right to return monies to an existing entity subsequent to the settlements of all expenses and claims. The Library pays health premiums of \$956.87 for single coverage per employee per month for full time employees if elected. Of this amount, the employee contributes 15% or \$143.54. Family coverage is available but the employee contributes 100% of the difference between single and family coverage. The Library offers dental and vision coverage to the full-time employees also but the employee contributes 100% of the premium. Financial information and statements can be obtained from the Stark County Schools Council of Governments, 6057 Strip Ave. NW, North Canton, OH 44720.

**NOTE 9 - DEFINED BENEFIT PENSION PLANS**

***Ohio Public Employees Retirement System***

Library employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10.00% of their gross salaries, and the Library contributed an amount equaling 14.00% of participants' gross salaries. The Library has paid all contributions required through December 31, 2023.

**LOUISVILLE PUBLIC LIBRARY  
STARK COUNTY, OHIO**

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

**NOTE 10 - POSTEMPLOYMENT BENEFITS**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2023, the portion of employer contributions allocated to health care was 0.00% for members in the traditional pension plan and 2.00% for members in the combined plan. For 2023, the portion of employer contributions allocated to health care for members in the member-directed plan was 4.00%; however, a portion of the health care rate was funded with reserves.

**NOTE 11 - CONTINGENT LIABILITIES**

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

**NOTE 12 - FUND BALANCES**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Capital Projects	Total
Outstanding Encumbrances	\$ 17,539	\$ 45,000	\$ 62,539
Total	<u>\$ 17,539</u>	<u>\$ 45,000</u>	<u>\$ 62,539</u>

The fund balance of capital projects funds are committed. These committed amounts in the capital projects funds include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**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 ended in April 2023.

# OHIO AUDITOR OF STATE KEITH FABER



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

Louisville Public Library  
Stark County  
700 Lincoln Avenue  
Louisville, Ohio 44641

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Louisville Public Library, Stark County, Ohio (the Library) as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, and have issued our report thereon dated November 13, 2025, wherein we noted the Library followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

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

In planning and performing our audit of the financial statements, we considered the Library's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the Library's internal control.

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

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

***Report on Compliance and Other Matters***

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

***Purpose of This Report***

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

KEITH FABER  
Ohio Auditor of State



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

November 13, 2025

# OHIO AUDITOR OF STATE KEITH FABER



**LOUISVILLE PUBLIC LIBRARY**

**STARK COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 12/2/2025**

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](http://www.ohioauditor.gov)