



OHIO AUDITOR OF STATE  
**KEITH FABER**





REUBEN MCMILLAN FREE LIBRARY ASSOCIATION  
MAHONING COUNTY

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## INDEPENDENT AUDITOR'S REPORT

Reuben McMillan Free Library Association  
Mahoning County  
305 Wick Avenue  
Youngstown, Ohio 44503

To the Board of Trustees:

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

#### ***Opinion***

We have audited the financial statements of the Reuben McMillan Free Library Association, Mahoning County, Ohio (the Library), (a not-for-profit corporation), which comprise the statement of assets, liabilities and net assets-modified cash basis as of December 31, 2023 and 2022, the related statement of revenues, expenses and changes in net assets-modified cash basis, and the statement of functional expenses-modified cash basis for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective modified cash financial position of the Library, as of December 31, 2023 and 2022, and the respective changes in modified cash financial position for the years then ended in accordance with the accounting basis described in Note B.

#### ***Basis for Opinion***

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 opinion.

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

We draw attention to Note B of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified 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 modified cash accounting basis described in Note B for determining that the modified 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 one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued, when applicable).

***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 28, 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 28, 2025

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**REUBEN MCMILLAN FREE LIBRARY ASSOCIATION**  
**STATEMENTS OF ASSETS, LIABILITIES AND NET**  
**ASSETS - MODIFIED CASH BASIS**

See Accompanying Notes to the Financial Statements

<b>ASSETS</b>	<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>CASH AND INVESTMENTS</b>		
Cash and cash equivalents	\$ 21,456,320	\$ 18,486,023
Cash and cash equivalents -- with donor restriction	1,320,124	1,094,166
Investments	23,158,955	22,921,639
<b>TOTAL CASH AND INVESTMENTS</b>	<b>45,935,399</b>	<b>42,501,828</b>
<b>PROPERTY AND EQUIPMENT</b>		
Land	952,741	952,741
Buildings and improvements	66,040,644	64,405,069
Furniture and equipment	5,777,561	5,728,698
Transportation equipment	575,069	575,069
Total property and equipment	73,346,015	71,661,577
Less accumulated depreciation	24,773,441	22,841,314
<b>NET PROPERTY AND EQUIPMENT</b>	<b>48,572,574</b>	<b>48,820,263</b>
<b>OTHER ASSETS</b>		
Prepaid rent	490,000	500,500
<b>TOTAL ASSETS</b>	<b>\$ 94,997,973</b>	<b>\$ 91,822,591</b>
<b>NET ASSETS</b>		
Without donor restrictions	\$ 89,662,647	\$ 86,985,585
With donor restrictions	5,335,326	4,837,006
<b>TOTAL NET ASSETS</b>	<b>\$ 94,997,973</b>	<b>\$ 91,822,591</b>

**REUBEN MCMILLAN FREE LIBRARY ASSOCIATION**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES**  
**IN NET ASSETS - MODIFIED CASH BASIS**

See Accompanying Notes to the Financial Statements

	Years ended December 31,					
	2023			2022		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>						
Operating support and contributions						
Property and other local taxes	\$ 10,295,997	\$ -	\$ 10,295,997	\$ 10,220,697	\$ -	\$ 10,220,697
Federal and state grants	11,208,119	-	11,208,119	10,808,421	-	10,808,421
Contributions	267,018	-	267,018	115,824	140,087	255,911
Program service fees						
Patron fines and fees	99,658	-	99,658	89,195	-	89,195
Investment income, net	1,269,767	89,868	1,359,635	382,460	66,420	448,880
Net realized/unrealized (loss) gain on investments	228,668	282,720	511,388	(412,212)	(635,133)	(1,047,345)
Other income						
Refunds and reimbursements	81,825	-	81,825	42,852	-	42,852
Rental income	13,950	-	13,950	6,388	-	6,388
Miscellaneous	2,287	-	2,287	2,859	-	2,859
Net assets released from restrictions	(125,732)	125,732	-	111,137	(111,137)	-
<b>TOTAL REVENUE, GAINS, AND OTHER SUPPORT</b>	<b>23,341,557</b>	<b>498,320</b>	<b>23,839,877</b>	<b>21,367,621</b>	<b>(539,763)</b>	<b>20,827,858</b>
<b>EXPENSES</b>						
Program services	18,506,396	-	18,506,396	16,746,313	-	16,746,313
Supporting services						
Management and general	2,127,941	-	2,127,941	1,925,274	-	1,925,274
Fundraising	30,158	-	30,158	31,718	-	31,718
<b>TOTAL EXPENSES</b>	<b>20,664,495</b>	<b>-</b>	<b>20,664,495</b>	<b>18,703,305</b>	<b>-</b>	<b>18,703,305</b>
<b>CHANGE IN NET ASSETS</b>	<b>2,677,062</b>	<b>498,320</b>	<b>3,175,382</b>	<b>2,664,316</b>	<b>(539,763)</b>	<b>2,124,553</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>86,985,585</b>	<b>4,837,006</b>	<b>91,822,591</b>	<b>84,321,269</b>	<b>5,376,769</b>	<b>89,698,038</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 89,662,647</b>	<b>\$ 5,335,326</b>	<b>\$ 94,997,973</b>	<b>\$ 86,985,585</b>	<b>\$ 4,837,006</b>	<b>\$ 91,822,591</b>

**REUBEN MCMILLAN FREE LIBRARY ASSOCIATION**  
**STATEMENT OF FUNCTIONAL EXPENSES--MODIFIED CASH BASIS**

See Accompanying Notes to the Financial Statements

	<b>Year ended December 31, 2023</b>		
	<b>Supporting Services</b>		
	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>
<b>COMPENSATION AND RELATED EXPENSES</b>			
Salaries and wages	\$ 8,083,109	\$ 1,396,457	\$ 22,102
Payroll taxes	126,705	23,579	321
Employee benefits:			
Pension	1,146,524	157,194	3,094
Other	1,884,883	330,983	4,641
<b>TOTAL COMPENSATION AND RELATED EXPENSES</b>	<b>11,241,221</b>	<b>1,908,213</b>	<b>30,158</b>
Accounting	-	11,500	-
Advertising	54,785	-	-
Conferences and conventions	131,300	-	-
Depreciation	1,983,100	-	-
Information technology	288,495	-	-
Insurance	94,691	-	-
Legal fees	-	25,928	-
Library materials	1,525,191	-	-
Occupancy	1,548,621	-	-
Office expense	1,318,401	9,644	-
Organizational memberships	31,064	-	-
Professional fees	273,276	172,656	-
Refunds	452	-	-
Travel	15,799	-	-
<b>TOTAL EXPENSES</b>	<b>\$ 18,506,396</b>	<b>\$ 2,127,941</b>	<b>\$ 30,158</b>
			<b>\$ 20,664,495</b>

**REUBEN MCMILLAN FREE LIBRARY ASSOCIATION**  
**STATEMENT OF FUNCTIONAL EXPENSES--MODIFIED CASH BASIS**

See Accompanying Notes to the Financial Statements

	Yea ended December 31, 2022			
	Supporting Services			
	Program Services	Management and General	Fundraising	Total
<b>COMPENSATION AND RELATED EXPENSES</b>				
Salaries and wages	\$ 6,915,572	\$ 1,237,639	\$ 23,246	\$ 8,176,457
Payroll taxes	87,669	20,658	337	108,664
Employee benefits:				
Pension	989,624	137,718	3,254	1,130,596
Other	1,525,376	292,957	4,881	1,823,214
<b>TOTAL COMPENSATION AND RELATED EXPENSES</b>	<b>9,518,241</b>	<b>1,688,972</b>	<b>31,718</b>	<b>11,238,931</b>
Accounting	-	25,210	-	25,210
Advertising	56,828	-	-	56,828
Conferences and conventions	120,097	-	-	120,097
Depreciation	1,726,998	-	-	1,726,998
Information technology	279,958	-	-	279,958
Insurance	86,180	-	-	86,180
Legal fees	-	26,990	-	26,990
Library materials	1,582,159	-	-	1,582,159
Occupancy	1,723,184	-	-	1,723,184
Office expense	1,370,363	9,418	-	1,379,781
Organizational memberships	46,858	-	-	46,858
Professional fees	215,992	174,684	-	390,676
Refunds	3,739	-	-	3,739
Travel	15,716	-	-	15,716
<b>TOTAL EXPENSES</b>	<b>\$ 16,746,313</b>	<b>\$ 1,925,274</b>	<b>\$ 31,718</b>	<b>\$ 18,703,305</b>

**Reuben McMillan Free Library Association**  
**NOTES TO FINANCIAL STATEMENTS**

December 31, 2023 and 2022

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## **NOTE A – NATURE OF OPERATIONS**

The Reuben McMillan Library Association (the Library) is a not-for-profit entity that provides the operation of a free library system for residents of Youngstown, Ohio and the Mahoning County. The Library adopted its articles of incorporation in accordance with Ohio Revised Code Section 1713.28. The Library is funded primarily with public monies to provide free library services.

The Library was established October 27, 1880, under the name “The Youngstown Library Association” and officially changed its legal name in 1898 to “The Reuben McMillan Free Library Association.” The Library is also known as “The Public Library of Youngstown & Mahoning County.”

### **Program Services**

For financial reporting purposes, the Library’s program service is to provide a free public library system that assures equitable access to reliable resources and services throughout the Mahoning County.

## **NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Basis of Accounting**

The financial statements of the Library have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles and, accordingly, certain revenue and related assets are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred. However, the financial statements do provide for the recognition of market value changes of investments.

### **Cash and Cash Equivalents**

Cash equivalents consist of temporary bank deposits and money market instruments with an original maturity of three months or less as of the purchase date.

### **Investments**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of assets, liabilities and net assets – modified cash basis. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

### **Property and Equipment**

The Library capitalizes property and equipment over \$3,000. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Library reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Library reclassifies net assets with donor restrictions to net asset without donor restrictions at that time. Property and equipment are depreciated over their estimated useful lives using the straight-line method.

**Reuben McMillan Free Library Association**  
**NOTES TO FINANCIAL STATEMENTS**

December 31, 2023 and 2022

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Classification of Net Assets**

The net assets of the Library are reported as follows:

**Without Donor Restriction** represents operating net assets which are available for the general operations of the Library as net assets without donor restriction, as well as Board-designated net assets set aside for future use.

**With Donor Restriction** represents gifts of cash or other restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of revenues, expenses and changes in net assets – modified cash basis, as net assets released from restrictions. Donations received with restriction that are met in the same reporting period are reported as unrestricted support and increase net assets without donor restrictions.

**Income Taxes**

The Library is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private Library.

**Functional Allocation of Expenses**

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of functional expenses – modified cash basis. Accordingly, certain costs have been allocated among the program and supporting services benefited. Compensation related expenses are allocated between program and supporting services based upon estimated time spent by key personnel. Occupancy and office related expenses are allocated based on management's estimate of the square footage occupied by branch and administrative operations.

**Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE C – AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the Library's financial assets as of December 31, 2023 and 2022, reduced by amounts not available for general use because of donor-imposed restrictions and inactive deposits that the Library has identified as not required for use in meeting general expenditures within one year, or more.

	<b>2023</b>	<b>2022</b>
Financial Assets		
Cash and cash equivalents	\$22,776,444	\$19,580,189
Investments	23,158,955	22,921,639
Less those unavailable for general expenditures within one year, due to:		
Donor-imposed purpose restrictions	(5,335,326)	(4,837,006)
Board designation:		
Quasi-endowment fund, primarily for long-term investing	(1,573,478)	(1,494,460)
Inactive deposits not required for immediate need	<u>(17,570,273)</u>	<u>(17,684,339)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>21,456,322</u>	<u>18,486,023</u>

**Reuben McMillan Free Library Association**  
**NOTES TO FINANCIAL STATEMENTS**

December 31, 2023 and 2022

**NOTE C – AVAILABILITY OF FINANCIAL ASSETS (continued)**

The Library is substantially supported by property tax levies, levied by Mahoning County for the Library, and the Public Library Fund as funded through the state of Ohio. As part of the Library's liquidity management, it has structured its financial assets to be available as its general expenditures and other obligations come due. The inactive deposits may be drawn upon in the event of financial distress or immediate liquidity need resulting from events outside the typical cycle of converting such assets to available cash.

**NOTE D – NET ASSETS WITH DONOR RESTRICTIONS**

**Endowment Funds**

The Board of Trustees of the Library created various endowment funds consisting of two components: 1) funds without donor restrictions to be used at the direction of the Board of Trustees and 2) funds with donor restriction to be used for purposes determined by the donor. The purpose of these endowments is to support the services of the Library. The objective of the underlying investments within the endowment fund is to allow for growth of principal balances and to provide an income stream for uses of the Library.

The endowments must not be exposed to undue credit or interest-rate risk. The Library does not have an investment policy beyond the requirements of State Statute. Ohio law 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 thereby avoiding the need to sell securities on the open market prior to maturity. The Library's investment policy does not specifically address credit risk beyond the adherence to all relevant sections of the Ohio Revised Code. The Library has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the Treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the Treasurer, governing board, or qualified trustee".

Endowment Net Asset Composition by Type of Fund as of December 31, 2023:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Donor-restricted endowment funds</b>	\$ -	\$ 4,015,203	\$ 4,015,203
<b>Board designated endowment funds</b>	\$ 1,573,478	-	\$ 1,573,478
<b>TOTAL FUNDS</b>	<b>\$ 1,573,478</b>	<b>\$ 4,015,203</b>	<b>\$ 5,588,681</b>

Endowment Net Assets Composition by Type of Fund as of December 31, 2022:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Donor-restricted endowment funds	\$ -	\$ 3,742,841	\$ 3,742,841
Board designated endowment funds	\$ 1,494,460	-	\$ 1,494,460
<b>TOTAL FUNDS</b>	<b>\$ 1,494,460</b>	<b>\$ 3,742,841</b>	<b>\$ 5,237,301</b>

**Reuben McMillan Free Library Association**  
**NOTES TO FINANCIAL STATEMENTS**

December 31, 2023 and 2022

**NOTE D – NET ASSETS WITH DONOR RESTRICTIONS (continued)**

Changes in Endowment Net Assets for the Year Ended December 31, 2023:

	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>Total</b>
<b>Endowment net assets – January 1, 2023</b>	<b>\$ 1,494,460</b>	<b>\$ 3,742,841</b>	<b>\$ 5,237,301</b>
Investment return, net	40,310	89,868	130,178
Net gain on endowments	81,547	282,720	364,267
Appropriation of endowment assets for expenditure	(42,839)	(100,226)	(143,065)
<b>Endowment net assets – December 31, 2023</b>	<b>\$ 1,573,478</b>	<b>\$ 4,015,203</b>	<b>\$ 5,588,681</b>

Changes in Endowment Net Assets for the Year Ended December 31, 2022:

	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>Total</b>
<b>Endowment net assets – January 1, 2022</b>	<b>\$ 1,736,263</b>	<b>\$ 4,390,490</b>	<b>\$ 6,126,753</b>
Investment return, net	31,694	66,421	98,115
Net loss on endowments	(237,547)	(635,133)	(872,680)
Appropriation of endowment assets for expenditure	(35,950)	(88,937)	(124,887)
Transfer	-	10,000	10,000
<b>Endowment net assets – December 31, 2022</b>	<b>\$ 1,494,460</b>	<b>\$ 3,742,841</b>	<b>\$ 5,237,301</b>

Net assets with donor restrictions were available for the following purposes as of December 31, 2023 and 2022:

	<b>Amount</b>	
	<b>2023</b>	<b>2022</b>
Purchase of books	\$ 2,836,923	\$ 2,605,132
Maintain and conduct branch operations	1,262,065	1,137,608
Maintain special delivery services	480,306	454,290
Youth program services	373,482	330,755
Author events	277,481	224,999
Other various restrictions	105,069	84,222
<b>TOTAL</b>	<b>\$ 5,335,326</b>	<b>\$ 4,837,006</b>

**Reuben McMillan Free Library Association**  
**NOTES TO FINANCIAL STATEMENTS**

December 31, 2023 and 2022

**NOTE E – INVESTMENTS**

Investments are stated at fair value based on quoted market prices and consist of the following:

	<b>December 31, 2023</b>		<b>December 31, 2022</b>	
	<b>Cost</b>	<b>Fair Value</b>	<b>Cost</b>	<b>Fair Value</b>
<b>Investments:</b>				
Money markets	\$ 1,597,972	\$ 1,597,972	\$ 3,479,837	\$ 3,479,837
Certificates of deposit	5,713,444	5,713,444	6,345,330	6,345,330
Common stock	1,322,647	1,798,937	1,236,242	1,620,847
Mutual funds	1,889,068	1,994,913	2,011,549	1,812,744
Corporate bonds	1,133,274	1,072,974	1,135,356	1,049,413
U.S. Government obligations	11,008,583	10,980,715	8,792,548	8,613,468
<b>TOTAL</b>	<b>\$ 22,664,988</b>	<b>\$ 23,158,955</b>	<b>\$ 23,000,862</b>	<b>\$ 22,921,639</b>

**NOTE F – NET ASSETS WITHOUT DONOR RESTRICTIONS**

The Library's governing board has designated, from net assets without donor restrictions, net assets for the following purposes:

	<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>
Designated by the governing board		
Purposes of long-term investing	\$ 19,124,500	\$ 19,178,798
Undesignated – available for general activities	70,538,147	67,806,787
<b>TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>\$ 89,662,647</b>	<b>\$ 86,985,585</b>

**NOTE G – FAIR VALUE MEASUREMENTS**

The Library's governing body is subject to the *Uniform Prudent Management of Institutional Funds Act* (UPMIFA), as adopted by the State of Ohio. As a result, the Library classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the governing body appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before being reclassified as net assets without donor restrictions.

Additionally, in accordance with UPMIFA, the Library considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

**Reuben McMillan Free Library Association**  
**NOTES TO FINANCIAL STATEMENTS**

December 31, 2023 and 2022

**NOTE G – FAIR VALUE MEASUREMENTS (continued)**

1. Duration and preservation of the fund
2. Purposes of the Library and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the Library
7. Investment policies of the Library

The Library's endowment consists of individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds. As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

Financial accounting standards establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The Library has characterized its financial instruments, based on the three levels of the fair value hierarchy are described as follows:

Level 1 fair values are based on unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 fair value inputs are based on inputs other than quoted prices within Level 1 that are observable for the asset, either directly or indirectly. Observable inputs include quoted market prices in active markets for similar assets, quoted prices in markets that are not active for identical or similar assets and other market observable inputs such as interest rate, credit spread and foreign currency exchange rates observable in the marketplace or derived from market transactions.

Level 3 fair values are based on at least one significant unobservable input for the asset. Level 3 securities contain unobservable market inputs and as a result considerable judgment may be used in determining the fair values.

Certain investments are measured at fair value using the net asset value (NAV) per share, or its equivalent, as a practical expedient. These investments include commingled funds which may include money market funds, which are typically valued using the NAV provided by the investing agent. In accordance with accounting guidance, these investments have not been classified in the fair value hierarchy.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2023 and 2022.

*Money market:* As a practical expedient, valued at the NAV of shares held at year end.

*Certificates of deposit:* Valued at original cost, plus accrued interest, which approximates fair value.

**Reuben McMillan Free Library Association**  
**NOTES TO FINANCIAL STATEMENTS**

December 31, 2023 and 2022

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**NOTE G – FAIR VALUE MEASUREMENTS (continued)**

*Mutual funds:* Valued at quoted market prices on the last business day of the year.

*Common stock:* Valued at the closing price reported on the active market on which the individual securities are traded.

*Corporate bonds:* Valued using pricing models using observable inputs for similar securities. This includes basing value on yields available on comparable securities of issuers with similar credit ratings.

*U.S. Government Obligations:* Valued using pricing models using observable inputs for similar securities.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Library believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Library's assets at fair value as of December 31, 2023:

	Assets Measured at Fair Value at December 31, 2023 on a Recurring Basis				Total
	Level 1	Level 2	Level 3		
	\$	\$	\$	\$	
<b>Certificates of deposit</b>	\$ 5,713,444				\$ 5,713,444
<b>Common stock:</b>					
<b>Industrials</b>	109,935				109,935
<b>Consumer</b>	250,423				250,423
<b>Materials</b>	48,716				48,716
<b>Health care</b>	214,376				214,376
<b>Information technology</b>	478,687				478,687
<b>Energy</b>	110,815				110,815
<b>Utilities</b>	113,700				113,700
<b>Financial</b>	236,870				236,870
<b>Communication services</b>	156,532				156,532
<b>Real estate</b>	78,883				78,883
<b>Mutual funds:</b>					
<b>Bond funds</b>	822,617				822,617
<b>Equity funds</b>	1,172,296				1,172,296
<b>Corporate bonds</b>		1,072,974			1,072,974
<b>U.S. Government obligations</b>		10,980,715			10,980,715
<b>Subtotal investments at fair value</b>	\$ 3,793,850	\$ 17,767,133	\$		\$ 21,560,983
<b>Investments at net asset value:</b>					
<b>Money markets</b>					1,597,972
<b>TOTAL</b>					\$ 23,158,955

**Reuben McMillan Free Library Association**  
**NOTES TO FINANCIAL STATEMENTS**

December 31, 2023 and 2022

**NOTE G – FAIR VALUE MEASUREMENTS (continued)**

	Assets Measured at Fair Value at December 31, 2022 on a Recurring Basis				
	Level 1	Level 2	Level 3	Total	
	\$	\$	\$	-	\$
Certificates of deposit		\$ 6,345,330			\$ 6,345,330
Common stock:					
Industrials	133,677		-	-	133,677
Consumer	280,184		-	-	280,184
Materials	67,299		-	-	67,299
Health care	225,087		-	-	225,087
Information technology	338,220		-	-	338,220
Energy	96,418		-	-	96,418
Utilities	125,311		-	-	125,311
Financial	205,168		-	-	205,168
Communication services	101,420		-	-	101,420
Real estate	48,062		-	-	48,062
Mutual funds:					
Bond funds	868,576		-	-	868,576
Equity funds	944,169		-	-	944,169
Corporate bonds	-	1,049,413		-	1,049,413
U.S. Government obligations	-	8,613,468		-	8,613,468
Subtotal investments at fair value	\$ 3,433,591	\$ 16,008,211	\$ -	\$ -	\$ 19,441,802
Investments at net asset value:					
Money markets					3,479,837
<b>TOTAL</b>					<b>\$ 22,921,639</b>

Ohio law states that the appropriation for expenditure in any year of an amount greater than seven percent of the fair market value of an endowment fund calculated on the basis of fair market values determined at least quarterly and averaged over a period of not less than three years immediately preceding the year in which the appropriation for expenditure was made creates a rebuttable presumption of imprudence. For an endowment fund in existence for fewer than three years, the fair market value of the endowment fund must be calculated for the period that the fund has been in existence.

**Underwater Endowments**

The governing body of the Library has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Library considers a fund to be underwater if the fair value of the fund is less than the sum of

- a) the original value of initial and subsequent gift amounts donated to the fund and
- b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument.

The Library has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

At December 31, 2023 and 2022, there were no underwater endowment funds.

**Reuben McMillan Free Library Association**  
**NOTES TO FINANCIAL STATEMENTS**

December 31, 2023 and 2022

## **NOTE H – LEASE**

### **Operating Leases**

The Library leases facilities under non-cancelable leases. Total rent expense for these items amounted to \$21,000 and \$10,500 as of December 31, 2023 and 2022, respectively.

The Library entered into a 50-year operating lease for space to house its Campbell branch operations. As required by the terms of the lease, the Library has made a one-time payment of \$525,000, which has resulted in prepaid rent. This lease is due to mature in August 2070. The Library has reflected \$490,000 and \$500,500 as of December 31, 2023 and 2022, respectively, of prepaid rent in its statements of assets, liabilities and net assets – modified cash basis.

The Library entered into a three-year lease with Boardman Township for space to house operations on October 1, 2023. This lease is due to mature in October 2026. The Library will pay rent of \$42,000 per year in monthly equal installments of \$3,500 per month.

The future minimum rental commitments under the non-cancelable leases through maturity are as follows:

Year Ending December 31,	Amount
2024	\$ 52,500
2025	52,500
2026	42,000
2027	10,500
2028	10,500
Thereafter	437,500
Total minimum lease payments	\$ 605,500

## **NOTE I – PENSION AND POSTRETIREMENT PLANS**

### **Ohio Public Employees Retirement System—Pension Plans**

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

Plan Description – Library employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan, and the combined plan is a combination cost-sharing, multiple-employer defined benefit /defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. 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.

**Reuben McMillan Free Library Association**  
**NOTES TO FINANCIAL STATEMENTS**

December 31, 2023 and 2022

**NOTE I – PENSION AND POSTRETIREMENT PLANS (continued)**

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

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

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
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
<b>Public Safety</b>	<b>Public Safety</b>	<b>Public Safety</b>
<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Law Enforcement</b>	<b>Law Enforcement</b>	<b>Law Enforcement</b>
<b>Age and Service Requirements:</b> Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>
<b>Traditional Plan Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Traditional Plan Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Traditional Plan Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

**Reuben McMillan Free Library Association**  
**NOTES TO FINANCIAL STATEMENTS**

December 31, 2023 and 2022

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**NOTE I – PENSION AND POSTRETIREMENT PLANS (continued)**

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

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, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 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.

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

**Reuben McMillan Free Library Association**  
**NOTES TO FINANCIAL STATEMENTS**

December 31, 2023 and 2022

**NOTE I – PENSION AND POSTRETIREMENT PLANS (continued)**

	State <u>and Local</u>
<b>2023 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee *	10.0 %
<b>2023 Actual Contribution Rates</b>	
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; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

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

The Library's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$1,306,812 and \$1,130,596 for the years ended December 31, 2023 and 2022, respectively.

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

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

**Reuben McMillan Free Library Association**  
**NOTES TO FINANCIAL STATEMENTS**

December 31, 2023 and 2022

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**NOTE I – PENSION AND POSTRETIREMENT PLANS (continued)**

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,

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).

**Reuben McMillan Free Library Association**  
**NOTES TO FINANCIAL STATEMENTS**

December 31, 2023 and 2022

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**NOTE I – PENSION AND POSTRETIREMENT PLANS (continued)**

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. 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 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 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.

**Reuben McMillan Free Library Association**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2023 and 2022

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## **NOTE J – CONCENTRATION OF RISK**

The Library maintains its cash in various financial institutions which, at times, may exceed federally insured limits, of \$250,000. The amounts that exceeded federally insured limits were \$20,664,072 and \$18,340,656 at December 31, 2023 and 2022, respectively. The Library has not experienced any losses from such accounts, and management believes the Library is not exposed to significant credit risk related to bank deposit accounts.

The Library maintains a major portion of its funds in investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risks associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect that Library's account balances and the amounts reported in the statement of assets, liabilities, and net assets.

### **Collective Bargaining Arrangements**

Approximately 82% of the Library's labor force was subject to collective bargaining agreements as of December 31, 2023 and 2022. The Library has two collective bargaining agreements, the Public Librarians Association of Youngstown (PLAY) and Clerical/Maintenance/Technical (CMT), these agreements expire March 31, 2025 and April 30, 2025, respectively.

## **NOTE K – SUBSEQUENT EVENTS**

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through February 28, 2025, which is the date the financial statements were available to be issued.

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65 East State Street  
Columbus, Ohio 43215  
[ContactUs@ohioauditor.gov](mailto:ContactUs@ohioauditor.gov)  
800-282-0370

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

Reuben McMillan Free Library Association  
Mahoning County  
305 Wick Avenue  
Youngstown, Ohio 44503

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 the financial audits contained in *Government Auditing Standards*, the modified cash-basis financial statements of the Reuben McMillan Free Library Association, Mahoning 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 28, 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 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.

Reuben McMillan Free Library Association  
Mahoning 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 28, 2025

# OHIO AUDITOR OF STATE KEITH FABER



REUBEN MCMILLAN FREE LIBRARY ASSOCIATION

MAHONING 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 4/15/2025

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)