



OHIO AUDITOR OF STATE
KEITH FABER



**EUCLID PUBLIC LIBRARY
CUYAHOGA COUNTY**

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EUCLID PUBLIC LIBRARY
CUYAHOGA COUNTY

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INDEPENDENT AUDITOR'S REPORT

Euclid Public Library
Cuyahoga County
631 East 222nd Street
Euclid, Ohio 44123

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinions

We have audited the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Euclid Public Library, Cuyahoga County, Ohio (the Library), as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Library, as of December 31, 2024 and 2023, and the respective changes in cash-basis financial position thereof and the budgetary comparison for the General Fund for the years then ended in accordance with the cash-basis of accounting described in Note 2.

Basis for Opinions

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

Emphasis of Matter - Accounting Basis

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated 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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Euclid Public Library
Cuyahoga County
Management Discussion and Analysis
For the Year Ended December 31, 2024
Unaudited

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

Highlights

Key highlights for 2024 are as follows:

- During 2024, the Library received \$15,685 more in investment earnings/interest than anticipated due to investment increases.
- During 2024, the Library received \$25,142 more in Public Library Funds than anticipated, which was offset by more than expected levy and homestead and rollback collections.
- During 2024, the Library was approved for a General Obligations bond of \$13,500,000. This bond will help finance the upcoming renovations of the main branch of the Library

Using the Basic Financial Statements

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

Report Components

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

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

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

Basis of Accounting

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

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

Euclid Public Library
Cuyahoga County
Management Discussion and Analysis
For the Year Ended December 31, 2024
Unaudited

Reporting the Library as a Whole

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

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

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

Reporting the Library's Most Significant Funds

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

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

Euclid Public Library
Cuyahoga County
Management Discussion and Analysis
For the Year Ended December 31, 2024
Unaudited

The Library as a Whole

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

(Table 1)

Net Position

	Governmental Activities		
	2024	2023	Change
Assets			
Equity in Pooled Cash and Cash Equivalents	\$22,661,022	\$ 8,609,648	\$ 14,051,374
Net Position			
Restricted for Other Purposes	\$ 598,782	\$ 293,196	\$ 305,586
Unrestricted	22,062,240	8,316,452	13,745,788
<i>Total Net Position</i>	<u>\$22,661,022</u>	<u>\$ 8,609,648</u>	<u>\$ 14,051,374</u>

During 2024, total net position increased mainly due to and bond proceed of \$13,500,000.

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

(Table 2)

Change in Net Position

	Governmental Activities		
	2024	2023	Change
Receipts			
<i>Program Receipts</i>			
Charges for Services and Sales	\$ 61,992	\$ 61,105	\$ 887
Operating Grants, Contributions and Interest	957,683	315,407	642,276
<i>General Receipts:</i>			
Property Taxes	4,135,315	3,127,748	1,007,567
Public Library	2,183,290	2,314,800	(131,510)
Unrestricted Gifts and Contributions	100	100	-
Grants and Entitlements			
not Restricted to Specific Programs	302,639	267,265	35,374
General Obligation Bonds Issued	13,500,000	-	13,500,000
Premium on Bonds	238,370	-	238,370
Earnings on Investments	866,431	308,166	558,265
Miscellaneous	21,976	9,328	12,648
<i>Total General Receipts</i>	<u>21,248,121</u>	<u>6,027,407</u>	<u>15,220,714</u>
<i>Total Receipts</i>	<u>\$ 22,267,796</u>	<u>\$ 6,403,919</u>	<u>\$ 15,863,877</u>

Euclid Public Library
Cuyahoga County
Management Discussion and Analysis
For the Year Ended December 31, 2024
Unaudited

(Table 2)
Change in Net Position (continued)

Disbursements			
General Library Services	5,763,221	5,513,413	(249,808)
Capital Outlay	1,216,326	71,772	(1,144,554)
Debt Service:			
Principal Retirement	905,000	0	(905,000)
Interest and Fiscal Charges	331,875	0	(331,875)
<i>Total Disbursements</i>	<u>8,216,422</u>	<u>5,585,185</u>	<u>(2,631,237)</u>
Net Position Beginning of Year	<u>8,609,648</u>	<u>7,790,914</u>	<u>818,734</u>
Net Position End of Year	<u>\$22,661,022</u>	<u>\$8,609,648</u>	<u>14,051,374</u>

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

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

However, the Library continues to diligently monitor their spending and costs of services.

Governmental Activities

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

Euclid Public Library
Cuyahoga County
Management Discussion and Analysis
For the Year Ended December 31, 2024
Unaudited

A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)
Governmental Activities

	2024		2023	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Disbursements				
General Library Services	\$ 5,763,221	\$ 4,743,546	\$ 5,513,413	\$ 5,136,901
Capital Outlay	1,216,326	1,216,326	71,772	71,772
Debt Service	1,236,875	1,236,875	-	-
<i>Total Disbursements</i>	<u>\$8,216,422</u>	<u>\$7,196,747</u>	<u>\$5,585,185</u>	<u>\$5,208,673</u>

The Library's Funds

Total governmental funds had receipts in 2024 of \$22,267,796 and disbursements of \$8,216,422. The fund balance of the general fund increased \$975,739 in 2024 primarily due to increases in several receipt categories including intergovernmental and earnings on investments. The general fund received a \$300,000 advance back to the libraries accelerating learning grant fund. The fund balance of the building fund decreased \$4,378,422 in 2024 primarily due to a \$4,500,000 transfer to the RIF – library funds fund. The fund balance of the RIF – library funds fund increased \$3,527,899 due to a \$4,500,000 transfer from the building fund. The RIF- library facilities fund increased \$13,500,000 primarily due to bond proceeds received during the current year.

General Fund Budgeting Highlights

The Library's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund. During 2024, the Library's general fund budget was stable. Actual receipts were higher than final budgeted receipts, primarily due to higher than expected PLF funds as well as earnings on investments. Final disbursements for 2024 were budgeted at \$6,178,150, while actual disbursements were \$5,527,715. Maintaining actual disbursements below projected levels allowed the Library to carryover a positive fund balance at year end.

Debt Administration

At December 31, 2024, the Library had a General Obligation Facilities Note. See Note 10 for additional information.

Current Issues

The challenge for all Ohio libraries is to provide quality services to meet public demands while staying within the restrictions of State funding. The Library relies heavily on property taxes and the PLF revenue. The Library continues to closely monitor its budget and is committed to maintaining long term sustainability to continue to provide quality services to the community.

Euclid Public Library
Cuyahoga County
Management Discussion and Analysis
For the Year Ended December 31, 2024
Unaudited

Contacting the Library's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Library's finances and to reflect the Library's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to David Piskac, Fiscal Officer, Euclid Public Library, 631 East 222nd Street, Euclid, Ohio 44123.

Euclid Public Library
Cuyahoga County
Statement of Net Position - Cash Basis
December 31, 2024

	<u>Governmental Activities</u>
Assets	
Equity in pooled cash and cash equivalents	\$ 22,661,022
<i>Total Assets</i>	<u>22,661,022</u>
Net Position	
Restricted for:	
Other purposes	598,782
Unrestricted	<u>22,062,240</u>
<i>Total Net Position</i>	<u>\$ 22,661,022</u>

See accompanying notes to the basic financial statements.

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

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants, Contributions and Interest	Governmental Activities
Governmental Activities				
Current:				
Library Services:				
Public service and programs	\$ 1,875,169	\$ 61,992	\$ 957,683	\$ (855,494)
Collection development and processing	788,098	-	-	(788,098)
Support Services:				
Facilities operation and maintenance	676,000	-	-	(676,000)
Information technology services	906,296	-	-	(906,296)
Business administration	1,517,658	-	-	(1,517,658)
Capital outlay	1,216,326	-	-	(1,216,326)
Debt service:				
Principal retirement	905,000	-	-	(905,000)
Interest and fiscal charges	331,875	-	-	(331,875)
<i>Total Governmental Activities</i>	<u>\$ 8,216,422</u>	<u>\$ 61,992</u>	<u>\$ 957,683</u>	<u>(7,196,747)</u>
General Receipts				
Property taxes levied for:				
General purposes				4,135,315
Public Library				2,183,290
Grants and entitlements not restricted to specific programs				302,639
Unrestricted gifts and contributions				100
Bonds Issued				13,500,000
Premium on Bonds				238,370
Earnings on investments				866,431
Miscellaneous				21,976
<i>Total General Receipts</i>				<u>21,248,121</u>
Change in net position				14,051,374
Net position beginning of year				<u>8,609,648</u>
Net position end of year				<u>\$ 22,661,022</u>

See accompanying notes to the basic financial statements.

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

	General	RIF-Library Funds	RIF-Library Facilities Note	Building Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in pooled cash and cash equivalents	\$ 2,678,719	\$ 3,527,899	\$ 13,500,000	\$ 2,235,050	\$ 719,354	\$ 22,661,022
<i>Total Assets</i>	<u>2,678,719</u>	<u>\$ 3,527,899</u>	<u>\$ 13,500,000</u>	<u>\$ 2,235,050</u>	<u>719,354</u>	<u>22,661,022</u>
Fund Balances						
Restricted	-	-	-	-	598,782	598,782
Committed	-	3,527,899	13,500,000	2,235,050	120,572	19,383,521
Assigned	185,051	-	-	-	-	185,051
Unassigned	2,493,668	-	-	-	-	2,493,668
<i>Total Fund Balances</i>	<u>\$ 2,678,719</u>	<u>\$ 3,527,899</u>	<u>\$ 13,500,000</u>	<u>\$ 2,235,050</u>	<u>\$ 719,354</u>	<u>\$ 22,661,022</u>

See accompanying notes to the basic financial statements.

No assurance is provided on these financial statements.

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

	General	RIF-Library Funds	RIF-Library Facilities Note	Building Fund	Other Governmental Funds	Total Governmental Funds
Receipts						
Property and other local taxes	\$ 3,019,726	\$ -	\$ -	\$ -	\$ 1,115,589	\$ 4,135,315
Public Library	2,183,290	-	-	-	-	2,183,290
Intergovernmental	269,327	-	-	-	975,697	1,245,024
Patron fines and fees	61,992	-	-	-	-	61,992
Contributions, gifts and donations	100	-	-	-	15,298	15,398
Earnings on Investments	461,992	-	-	356,405	48,034	866,431
Miscellaneous	21,976	-	-	-	-	21,976
<i>Total Receipts</i>	<i>6,018,403</i>	<i>-</i>	<i>-</i>	<i>356,405</i>	<i>2,154,618</i>	<i>8,529,426</i>
Disbursements						
Current:						
Library Services:						
Public services and programs	1,439,388	-	-	-	435,781	1,875,169
Collection development and processing	788,098	-	-	-	-	788,098
Support Services:						
Facilities operation and maintenance	676,000	-	-	-	-	676,000
Information technology services	906,296	-	-	-	-	906,296
Business administration	1,483,067	-	-	-	34,591	1,517,658
Capital outlay	49,815	972,101	-	194,410	-	1,216,326
Debt service:						
Principal retirement	-	-	-	-	905,000	905,000
Interest and fiscal charges	-	-	-	-	331,875	331,875
<i>Total Disbursements</i>	<i>5,342,664</i>	<i>972,101</i>	<i>-</i>	<i>194,410</i>	<i>1,707,247</i>	<i>8,216,422</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>675,739</i>	<i>(972,101)</i>	<i>-</i>	<i>161,995</i>	<i>447,371</i>	<i>313,004</i>
Other Financing Sources (Uses)						
Notes issued	-	-	13,500,000	-	-	13,500,000
Premium (discount) on debt issue	-	-	-	-	238,370	238,370
Transfers in	-	4,500,000	-	-	1,033,665	5,533,665
Transfers out	-	-	-	(4,540,417)	(993,248)	(5,533,665)
Advances in	300,000	-	-	-	-	300,000
Advances out	-	-	-	-	(300,000)	(300,000)
<i>Total Other Financing Sources (Uses)</i>	<i>300,000</i>	<i>4,500,000</i>	<i>13,500,000</i>	<i>(4,540,417)</i>	<i>(21,213)</i>	<i>13,738,370</i>
Net change in fund balance	975,739	3,527,899	13,500,000	(4,378,422)	426,158	14,051,374
Fund balances beginning of year	1,702,980	-	-	6,613,472	293,196	8,609,648
Fund balances end of year	<u>\$ 2,678,719</u>	<u>\$ 3,527,899</u>	<u>\$ 13,500,000</u>	<u>\$ 2,235,050</u>	<u>\$ 719,354</u>	<u>\$ 22,661,022</u>

See accompanying notes to the basic financial statements.

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and other local taxes	\$ 3,063,950	\$ 3,063,950	\$ 3,019,726	\$ (44,224)
Public Library	2,208,432	2,178,762	2,183,290	4,528
Intergovernmental	113,114	251,148	269,327	18,179
Patron fines and fees	26,036	57,808	61,992	4,184
Contributions, gifts and donations	42	93	100	7
Earnings on investments	194,031	430,808	461,992	31,184
Miscellaneous	9,230	20,493	21,976	1,483
<i>Total Receipts</i>	5,614,835	6,003,062	6,018,403	15,341
Disbursements				
Current:				
Library Services:				
Public service and programs	1,590,566	1,611,432	1,441,781	169,651
Collection development and processing	877,404	888,915	795,330	93,585
Support Services:				
Facilities operation and maintenance	775,032	785,200	702,534	82,666
Information technology services	1,014,087	1,027,390	919,227	108,163
Business administration	1,785,085	1,808,503	1,618,104	190,399
Capital outlay	55,975	56,709	50,739	5,970
<i>Total Disbursements</i>	6,098,150	6,178,149	5,527,715	650,434
<i>Excess of Receipts Over (Under) Disbursements</i>	(483,315)	(175,087)	490,688	665,775
Other Financing Sources (Uses)				
Advances in	125,997	279,750	300,000	20,250
<i>Total Other Financing Sources (Uses)</i>	125,997	279,750	300,000	20,250
Net change in fund balance	(357,318)	104,663	790,688	686,025
Fund balance at beginning of year	1,480,429	1,480,429	1,480,429	-
Prior year encumbrances appropriated	222,551	222,551	222,551	-
Fund balance at end of year	\$ 1,345,662	\$ 1,807,643	\$ 2,493,668	\$ 686,025

See accompanying notes to the basic financial statements.

Euclid Public Library
Cuyahoga County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 1 – Description of the Library and Reporting Entity

The Euclid Public Library, Cuyahoga County, Ohio (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 Euclid City School District’s 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, 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 Euclid City School District although the School District 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 School District.

Under the provisions of Statement No. 14 of the Governmental Accounting Standards Board (“GASB”), *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, and GASB Statement No 61, *The Financial Reporting Entity Omnibus – An Amendment of GASB Statement No. 14 and No. 34*, the Library is considered a related organization of the Euclid City School District.

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

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

Note 2 - Summary of Significant Accounting Policies

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

Basis of Presentation

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

Euclid Public Library
Cuyahoga County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 2 - Summary of Significant Accounting Policies (continued)

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

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

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

Fund Accounting

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

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

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

Building Fund The building fund accounts for and reports revenues derived from Board approved transfers from the general fund. These monies are unrestricted and have been assigned to major capital and technology improvements.

Renovation Improvement Fund – Library Fund The renovation improvement fund - library fund accounts for and reports revenues derived from transfers from the building fund. These monies are restricted for the renovation of the Library.

Renovation Improvement Fund – Library Facilities Fund The renovation improvement fund - library facilities fund accounts for and reports revenues derived from bond proceeds. These monies are restricted for the renovation of the Library.

Euclid Public Library
Cuyahoga County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 2 - Summary of Significant Accounting Policies (continued)

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

Basis of Accounting

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

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

Budgetary Process

All funds are legally required to be budgeted and appropriated. The budgetary process is prescribed by provisions of the Ohio Administrative Code and entails the preparation of budgetary documents within an established timetable. The Ohio Administrative Code section 117-8 does not require public libraries to budget receipts. However, sound budget practice suggests a government cannot appropriate responsibly unless they have an estimate of resources to support the appropriations. The Board must annually approve appropriations measures and subsequent amendments. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates.

The certificate of estimated resources establishes a limit on the amount the Board of Trustees may appropriate. The appropriations resolution is the Board of Trustees' authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board of Trustees. The legal level of control has been established by the Board of Trustees at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Trustees. The Fiscal Officer has been given authority to allocate Board appropriations to the function and object levels within each fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Fiscal Officer. The amounts reported as the original and final budgeted amounts on the budgetary statement reflects the amounts in the original and final amended certificate in effect at the time original and final appropriations were passed.

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

Euclid Public Library
Cuyahoga County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 2 - Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

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

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

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

During 2024, investments were limited to STAR Ohio and federal home loan bank bonds. Investments are reported at cost, except for STAR Ohio.

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

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

Interest earnings are allocated to Library funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2024 was \$461,992, which includes \$402,899 assigned from other Library funds.

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

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

Restricted Assets

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

Euclid Public Library
Cuyahoga County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 2 - Summary of Significant Accounting Policies (continued)

Inventory and Prepaid Items

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

Capital Assets

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

Accumulated Leave

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

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

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

Employer Contributions to Cost-Sharing Pension Plans

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

Long-Term Obligations

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

Leases and SBITAs

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

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

Euclid Public Library
Cuyahoga County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 2 - Summary of Significant Accounting Policies (continued)

Net Position

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

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

Fund Balance

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

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

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

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

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

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

Euclid Public Library
Cuyahoga County
Notes to the Basic 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.

Internal Activity

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Payments for interfund services provided and used are not eliminated.

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

New Accounting Pronouncements

For 2024, GASB Statement No. 100, Accounting Changes and Error Corrections was effective. This GASB pronouncement had no effect on beginning net position/fund balance as the Library had no accounting changes or error corrections related to 2024. See the Accumulated Leave section of Note 2 for discussion of the implementation of GASB Statement No. 101, Compensated Absences.

Note 3 – Budgetary Basis of Accounting

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

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

	General
Cash Basis	\$ 2,678,719
Encumbrances	(185,051)
Budget Basis	<u>\$ 2,493,668</u>

Euclid Public Library
Cuyahoga County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 4 - Fund Balances

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

2024 Fund Balances	General	RIF - Library Fund	RIF - Library Facilities Note	Building Fund	Other Governmental Funds	Total Governmental Funds
<u>Restricted for</u>						
Library Programs and Services	\$ -	\$ -	\$ -	\$ -	\$ 598,782	\$ 598,782
<u>Committed to</u>						
Capital Improvement Projects	-	3,527,899	13,500,000	2,235,050	120,572	19,383,521
<u>Assigned</u>						
Encumbrances	185,051			-	-	185,051
Subsequent Year						
Appropriations	-			-	-	-
Total assigned	185,051	-	-	-	-	185,051
Unassigned	2,493,668	-	-	-	-	2,493,668
Total fund balances	<u>\$2,678,719</u>	<u>\$3,527,899</u>	<u>\$13,500,000</u>	<u>\$2,235,050</u>	<u>\$719,354</u>	<u>\$22,661,022</u>

Note 5 - Deposits and Investments

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

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

Inactive deposits are public deposits that the Library has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

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

Euclid Public Library
Cuyahoga County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 5 - Deposits and Investments (continued)

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

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

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

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

Euclid Public Library
Cuyahoga County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 5 - Deposits and Investments (continued)

Investments

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

Investment	Measurement	Maturity	Moody's	Percent of
	Amount			Total
STAR Ohio	\$20,864,531	27.2 Average Days	N/A	N/A
Negotiable Certificates of Deposit	996,000	Less than 2 Years	N/A	4.45%
Federal Home Loan Bank Bonds	500,000	Less than 2 Years	AAA	2.24%
Total Portfolio	<u>\$22,360,531</u>			

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

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

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

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

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

Grants in Aid

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

Euclid Public Library
Cuyahoga County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 6 – Grants in Aid, Property Taxes and Tax Abatements (continued)

Property Taxes

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

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

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

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

The full tax rate for all Library operations for the year ended December 31, 2024 was \$5.60 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:

<u>Property Category</u>	<u>Assessed Value</u>
Real Property	\$ 714,156,500
Public Utilities	39,733,530
Total	<u>\$ 753,890,030</u>

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

Tax Abatements

For 2024, the Library's property taxes were reduced by \$479,462 under various tax abatement agreements entered into by the City of Euclid.

Note 7 - Risk Management

The library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2024, the Library contracted with various companies for different types of insurance coverages as follows:

Euclid Public Library
Cuyahoga County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 7 - Risk Management (continued)

Company	Type of Coverage	Amount of Coverage
Ohio Plan Risk Management	Commercial Property	\$11,312,702
	General Liability	\$2,000,000/\$4,000,000
	Library Materials	\$3,961,553
	Automobile	\$2,000,000
	Public Officials Liability	\$2,000,000/\$4,000,000
	Inland Marine	\$25,000
	Cyber Liability	\$250,000
	Crime	\$50,000
	Computer Equipment/Software	\$439,497/\$125,572
Fidelity	Fiscal Officer Bond	\$50,000
Selective Insurance	Deputy Fiscal Officer Bond	\$50,000

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

Workers' Compensation

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

Note 8 - Defined Benefit Pension Plan

Ohio Public Employees Retirement System (OPERS)

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

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.

Euclid Public Library
Cuyahoga County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 8 - Defined Benefit Pension Plan (continued)

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

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

Traditional plan state and local members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests at retirement.

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

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost-of-living adjustment (COLA) is provided. This COLA is calculated on the member's original base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment of the defined benefit portion of their pension benefit. For those retiring prior to January 7, 2013, current law provides for a 3% COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3%.

Euclid Public Library
Cuyahoga County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 8 - Defined Benefit Pension Plan (continued)

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

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

	State and Local	
	Traditional	Combined
2024 Statutory Maximum Contribution Rates		
Employer	14.0 %	14.0 %
Employee*	10.0 %	10.0 %
2024 Actual Contribution Rates		
Employer		
Pension**	14.0 %	12.0 %
Post-employment Health Care Benefits**	0.0 %	2.0 %
Total Employer	14.0 %	14.0 %
Employee	10.0 %	10.0 %

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

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

Euclid Public Library
Cuyahoga County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 8 - Defined Benefit Pension Plan (continued)

For 2024, The Library's contractually required contribution was \$404,753 for the traditional plan, \$0 for the combined plan, and \$6,663 for the member-directed plan.

Note 9 - Postemployment Benefits

Ohio Public Employees Retirement System

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code. Retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice and other eligible expenses. An OPERS vendor is available to assist with the selection of a health care program

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to traditional pension plan and combined plan benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Age 65 or older Retirees Minimum of 20 years of qualifying service credit

Age 60 to 64 Retirees Based on the following age-and-service criteria:

Group A 30 years of total service with at least 20 years of qualified health care service credit;

Group B 31 years of total service credit with at least 20 years of qualified health care service credit;

Group C 32 years of total service cred with at least 20 years of qualified health care service credit.

Age 59 or younger Based on the following age-and-service criteria:

Euclid Public Library
Cuyahoga County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 9 - Postemployment Benefits (continued)

Group A 30 years of qualified health care service credit;

Group B 32 years of qualified health care service credit at any age or 31 years of qualified health care service credit and at least age 52;

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

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

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

Group A	Group B	Group C
Age and Service Requirements <i>December 1, 2014 or Prior</i>	Age and Service Requirements <i>December 1, 2014 or Prior</i>	Age and Service Requirements <i>December 1, 2014 or Prior</i>
Any Age with 10 years of service credit	Any Age with 10 years of service credit	Any Age with 10 years of service credit
<i>January 1, 2015 through</i> <i>December 31, 2021</i>	<i>January 1, 2015 through</i> <i>December 31, 2021</i>	<i>January 1, 2015 through</i> <i>December 31, 2021</i>
Age 60 with 20 years of service credit or Any Age with 30 years of service credit	Age 52 with 31 years of service credit or Age 60 with 20 years of service credit or Any Age with 32 years of service credit	Age 55 with 32 years of service credit or Age 60 with 20 years of service credit

See the Age and Service Retirement section of the OPERS ACFR for a description of Groups A, B and C.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

The base allowance is determined by OPERS and is currently \$1,200 per month for non-Medicare retirees and \$350 per month for Medicare retirees. The retiree receives a percentage of the base allowance, calculated based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51% and 90% of the base allowance for both non-Medicare and Medicare retirees.

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

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

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Cuyahoga County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 9 - Postemployment Benefits (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% of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

Participants in the Member-Directed Plan have access to the Connector and have a separate health care funding mechanism. A portion of employer contributions for these participants is allocated to a retiree medical account (RMA). Members who elect the Member-Directed Plan after July 1, 2015, will vest in the RMA over 15 years at a rate of 10% each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015, vest in the RMA over a five-year period at a rate of 20% per year. Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2024, state and local employers contributed at a rate of 14% of earnable salary and public safety and law enforcement employers contributed at 18.1%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2024, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a 2% allocation to health care for the Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2023 was 4%. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2024.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Library's contractually required contribution was \$0 for the year 2024.

Euclid Public Library
Cuyahoga County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 10 – Long-Term Obligations

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

Debt Issue	Interest Rate	Original Issue	Year of Maturity
Governmental Activities:			
<i>General Obligation Bonds</i>			
Library Facilities Notes, Series 2024	2.0 - 5.0%	\$ 13,500,000	2053

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

	Amount Outstanding 12/31/2023	Additions	Deletions	Amount Outstanding 12/31/2024	Amounts Due In One Year
Governmental Activities:					
<i>General Obligation Bonds</i>					
Library Facilities Notes, Series 2024	\$ -	\$ 13,500,000	\$(905,000)	\$ 12,595,000	\$ 205,000
Library Facilities Notes, Series 2024 - Premium	-	568,848	(6,905)	561,943	-
<i>Total Governmental Activities Obligations</i>	<u>\$ -</u>	<u>\$ 14,068,848</u>	<u>\$(911,905)</u>	<u>\$ 13,156,943</u>	<u>\$ 205,000</u>

During 2024, the Library issued \$13,500,000 in Library Facilities Notes, Series 2024, General Obligation Bonds for the purpose of renovating and improving the main branch of the Library facilities. The bonds were sold at a premium of \$568,848. The Library Facilities Notes, Series 2024, General Obligation Bonds will be paid from transfers from capital improvement fund in the debt service fund.

The Library leases buildings under noncancelable leases. The Library disbursed \$125,436 to pay lease costs for the year ended December 31, 2024.

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

	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 205,000	\$ 629,750
2026	210,000	619,500
2027	225,000	609,000
2028	235,000	597,750
2029	245,000	586,000
2030-2034	1,425,000	2,733,750
2035-2039	1,820,000	2,339,250
2040-2044	2,320,000	1,836,750
2045-2049	2,960,000	1,195,750
2050-2054	2,950,000	377,500
Total	<u>\$ 12,595,000</u>	<u>\$ 11,525,000</u>

Euclid Public Library
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Notes to the Basic Financial Statements
For the Year Ended December 31, 2024

Note 11- Interfund Transfers

Transfers

During 2024, the following transfers were made:

Transfers To	Transfer From		
	Building	Other Governmental Funds	Totals
RIF - Library Funds	\$4,500,000	\$ -	\$4,500,000
Other Governmental Funds	40,417	993,248	1,033,665
Totals	<u>\$4,540,417</u>	<u>\$ 993,248</u>	<u>\$5,533,665</u>

The above-mentioned transfers from the building fund and other governmental funds to the RIF – Library Funds capital projects fund and other governmental funds were used to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 12 – Encumbrances

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

General	\$ 185,051
Building Fund	927,725
RIF - Library Funds	1,972,899
Other Governmental Funds	<u>5,133</u>
Total Governmental	<u>\$3,090,808</u>

Note 13 – Contingent Liabilities

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

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

Euclid Public Library
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Management's Discussion and Analysis
For the Year December 31, 2023
Unaudited

The management's discussion and analysis of the Euclid Public Library ("the Library") financial performance provides an overview of the Library's financial activities for the year ended December 31, 2023, within the limitations of the Library's cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Library's financial performance.

Highlights

Key highlights for 2023 are as follows:

- During 2023, the Library received \$4,605 more in investment earnings/interest than anticipated due to government interest rate increases.
- During 2023, the Library received \$75,368 more in Public Library Funds than anticipated, which was offset by fewer than expected levy and homestead and rollback collections.
- During 2023, the Library received an award letter for \$749,553 from the Ohio Department of Education for a joint Libraries Accelerating Learning grant. This grant will allow patrons instant access to library cards, eBooks and audiobooks, reading challenges and fund literacy-based activities.

Using the Basic Financial Statements

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

Report Components

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

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

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

Basis of Accounting

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

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

Reporting the Library as a Whole

The statement of net position and the statement of activities reflect how the Library did financially during 2023, within the limitations of the cash basis of accounting. The statement of net position presents the cash balances of the governmental activities of the Library at year end. The statement of activities compares cash disbursements with program receipts for each governmental activity. Program receipts include patron fines and fees and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Library's general receipts.

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

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

Reporting the Library's Most Significant Funds

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

Governmental Funds – The governmental fund financial statements provide a detailed view of the Library's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Library's programs. The Library's major governmental funds are presented on the financial statements in separate columns. The Library's major governmental funds are the general fund and the building capital projects fund. The Library's non-major funds include various grant and donation special revenue funds including the Library's Accelerating grant special revenue fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

Euclid Public Library
Cuyahoga County
Management's Discussion and Analysis
For the Year December 31, 2023
Unaudited

The Library as a Whole

Table 1 provides a summary of the Library's net position for 2023 compared to 2022 on a cash basis:

(Table 1)
Net Position

	Governmental Activities		
	2023	2022	Change
Assets			
Equity in Pooled Cash and Cash Equivalents	\$8,609,648	\$7,790,914	\$818,734
Net Position			
Restricted for Other Purposes	\$293,196	\$4,314	\$288,882
Unrestricted	8,316,452	7,786,600	529,852
<i>Total Net Position</i>	<u>\$8,609,648</u>	<u>\$7,790,914</u>	<u>\$818,734</u>

Table 2 reflects the changes in net position in 2023 compared to 2022 on a cash basis:

(Table 2)
Changes in Net Position

	Governmental Activities		
	2023	2022	Change
Receipts:			
<i>Program Receipts</i>			
Charges for Services and Sales	\$61,105	\$42,514	\$18,591
Operating Grants and Contributions	315,407	13,057	302,350
<i>Total Program Receipts</i>	<u>376,512</u>	<u>55,571</u>	<u>320,941</u>
<i>General Receipts</i>			
Property Taxes	3,127,748	2,967,524	160,224
Public Library	2,314,800	2,279,419	35,381
Grants and Entitlements not			
Restricted to Specific Programs	267,265	268,656	(1,391)
Unrestricted Contributions and Donations	100	200	(100)
Interest	308,166	115,199	192,967
Miscellaneous	9,328	6,229	3,099
<i>Total General Receipts</i>	<u>6,027,407</u>	<u>5,637,227</u>	<u>390,180</u>
<i>Total Receipts</i>	<u>\$6,403,919</u>	<u>\$5,692,798</u>	<u>\$711,121</u>

Euclid Public Library
Cuyahoga County
Management's Discussion and Analysis
For the Year December 31, 2023
Unaudited

(Table 2)
Changes in Net Position (continued)

	Governmental Activities		
	2023	2022	Change
Disbursements:			
General Library Services	\$5,513,413	\$4,874,058	(\$639,355)
Capital Outlay	71,772	151,478	79,706
<i>Total Disbursements</i>	<u>5,585,185</u>	<u>5,025,536</u>	<u>(559,649)</u>
Change in Net Position	818,734	667,262	151,472
Net Position Beginning of Year	<u>7,790,914</u>	<u>7,123,652</u>	<u>667,262</u>
Net Position End of Year	<u>\$8,609,648</u>	<u>\$7,790,914</u>	<u>\$818,734</u>

Property taxes and grants and entitlements receipts in 2023 are 89.16 percent of total receipts. Grants and entitlements increased slightly, primarily due to increases in receipts from the Public Library Fund. Operating grants and contributions increased due to an increase in approved grants. Investment earnings/interest receipts increased during 2023 due to increasing interest rates.

Disbursements for general library services represent the costs of running the Library. Disbursements for capital outlay represent costs for capital projects for the Library. Total disbursements increased in 2023 due to filling of several open positions and overall increases in operating costs. Capital outlay expenditures decreased from 2022 due to reduced consulting, architect and legal costs associated with the planned library renovation project.

Governmental Activities

If you look at the statement of activities, you will see that the first column lists the major services provided by the Library. The next column identifies the costs of providing these services. The major disbursements for governmental activities are general library services and capital outlay. The next column of the statement, entitled 'Program Cash Receipts,' identifies amounts paid by those who are directly charged for the service and grants received by the Library that must be used to provide a specific service. The 'Net (Disbursements)' column compares the program receipts to the cost of the service. This net cost amount represents the cost of the service, which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts, which are presented at the bottom of the statement.

Euclid Public Library
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Management's Discussion and Analysis
For the Year December 31, 2023
Unaudited

A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)
Total and Net Cost of Program Services

	Governmental Activities			
	2023		2022	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Disbursements:				
General Library Services	\$5,513,413	\$5,136,901	\$4,874,058	\$4,818,487
Capital Outlay	71,772	71,772	151,478	151,478
<i>Total Disbursements</i>	<u>\$5,585,185</u>	<u>\$5,208,673</u>	<u>\$5,025,536</u>	<u>\$4,969,965</u>

The Library's Funds

Total governmental funds had receipts in 2023 of \$6,403,919, and disbursements of \$5,585,185. The fund balance of the general fund decreased \$862,255 in 2023, due to an increase in general library services from higher operating expenses as well as the advance provided to other governmental funds. The fund balance of the building capital projects fund increased \$1,392,107 in 2023, due to receiving a transfer from the general fund.

General Fund Budgeting Highlights

The Library's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund.

During 2023, the Library's general fund budget was stable. Final disbursements, transfers and advances for 2023 were budgeted at \$7,316,767 while actual disbursements were \$6,966,847. Maintaining actual disbursements below projected levels allowed the Library to minimize cash decreases to the general fund during this period.

Debt Administration

At December 31, 2023, the Library had no debt obligations.

Current Issues

The challenge for all Ohio libraries is to provide quality services to meet public demands while staying within the restrictions of State funding. The Library relies heavily on property taxes and the PLF revenue. Even though the Library has stable funds, it is dependent on funding from the State to remain in this position.

Euclid Public Library
Cuyahoga County
Management's Discussion and Analysis
For the Year December 31, 2023
Unaudited

Contacting the Library's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Library's finances and to reflect the Library's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to David Piskac, Fiscal Officer, Euclid Public Library, 631 East 222nd Street, Euclid, Ohio 44123.

Euclid Public Library
Cuyahoga County
Statement of Net Position - Cash Basis
December 31, 2023

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$8,609,648</u>
Net Position	
Restricted for Other Purposes	\$293,196
Unrestricted	<u>8,316,452</u>
<i>Total Net Position</i>	<u>\$8,609,648</u>

See accompanying notes to the basic financial statements

Euclid Public Library
Cuyahoga County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2023

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Library Services	\$5,513,413	\$61,105	\$315,407	(\$5,136,901)
Capital Outlay	71,772	0	0	(71,772)
<i>Total Governmental Activities</i>	<u>\$5,585,185</u>	<u>\$61,105</u>	<u>\$315,407</u>	<u>(5,208,673)</u>
General Receipts				
Property Taxes Levied for General Purposes				3,127,748
Public Library				2,314,800
Grants and Entitlements not Restricted to Specific Programs				267,265
Unrestricted Contributions and Donations				100
Investment Earnings/Interest				308,166
Miscellaneous				<u>9,328</u>
<i>Total General Receipts</i>				<u>6,027,407</u>
Change in Net Position				818,734
<i>Net Position Beginning of Year</i>				<u>7,790,914</u>
<i>Net Position End of Year</i>				<u><u>\$8,609,648</u></u>

See accompanying notes to the basic financial statements

Euclid Public Library
Cuyahoga County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2023

	General	Building Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$1,702,980</u>	<u>\$6,613,472</u>	<u>\$293,196</u>	<u>\$8,609,648</u>
Fund Balances				
Restricted	\$0	\$0	\$293,196	\$293,196
Assigned	222,551	6,613,472	0	6,836,023
Unassigned	<u>1,480,429</u>	<u>0</u>	<u>0</u>	<u>1,480,429</u>
<i>Total Fund Balances</i>	<u><u>\$1,702,980</u></u>	<u><u>\$6,613,472</u></u>	<u><u>\$293,196</u></u>	<u><u>\$8,609,648</u></u>

See accompanying notes to the basic financial statements

Euclid Public Library
Cuyahoga County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2023

	General	Building Fund	Other Governmental Funds	Total Governmental Funds
Receipts				
Property Taxes	\$3,127,748	\$0	\$0	\$3,127,748
Public Library	2,314,800	0	0	2,314,800
Intergovernmental	267,265	0	307,824	575,089
Patron Fines and Fees	61,105	0	0	61,105
Contributions and Donations	100	0	7,583	7,683
Investment Earnings/Interest	101,695	206,471	0	308,166
Miscellaneous	9,328	0	0	9,328
<i>Total Receipts</i>	<u>5,882,041</u>	<u>206,471</u>	<u>315,407</u>	<u>6,403,919</u>
Disbursements				
General Library Services	5,186,888	0	326,525	5,513,413
Capital Outlay	57,408	14,364	0	71,772
<i>Total Disbursements</i>	<u>5,244,296</u>	<u>14,364</u>	<u>326,525</u>	<u>5,585,185</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>637,745</u>	<u>192,107</u>	<u>(11,118)</u>	<u>818,734</u>
Other Financing Sources (Uses)				
Transfers In	0	1,200,000	0	1,200,000
Transfers Out	(1,200,000)	0	0	(1,200,000)
Advances In	0	0	300,000	300,000
Advances Out	(300,000)	0	0	(300,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,500,000)</u>	<u>1,200,000</u>	<u>300,000</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(862,255)</u>	<u>1,392,107</u>	<u>288,882</u>	<u>818,734</u>
<i>Fund Balances Beginning of Year</i>	<u>2,565,235</u>	<u>5,221,365</u>	<u>4,314</u>	<u>7,790,914</u>
<i>Fund Balances End of Year</i>	<u>\$1,702,980</u>	<u>\$6,613,472</u>	<u>\$293,196</u>	<u>\$8,609,648</u>

See accompanying notes to the basic financial statements

Euclid Public Library
Cuyahoga County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Receipts				
Property Taxes	\$3,017,931	\$3,017,931	\$3,127,748	\$109,817
Public Library	2,239,433	2,263,445	2,314,800	51,355
Intergovernmental	272,000	272,000	267,265	(4,735)
Patron Fines and Fees	56,500	56,500	61,105	4,605
Contributions and Donations	1,000	1,000	100	(900)
Interest	65,000	65,000	101,695	36,695
Miscellaneous	6,500	6,500	9,328	2,828
<i>Total Receipts</i>	<u>5,658,364</u>	<u>5,682,376</u>	<u>5,882,041</u>	<u>199,665</u>
Disbursements				
General Library Services	5,605,766	5,731,767	5,409,156	322,611
Capital Outlay	198,963	85,000	57,691	27,309
<i>Total Disbursements</i>	<u>5,804,729</u>	<u>5,816,767</u>	<u>5,466,847</u>	<u>349,920</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(146,365)</u>	<u>(134,391)</u>	<u>415,194</u>	<u>549,585</u>
Other Financing Uses				
Transfers Out	0	(1,200,000)	(1,200,000)	0
Advances Out	(300,000)	(300,000)	(300,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(300,000)</u>	<u>(1,500,000)</u>	<u>(1,500,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(446,365)</u>	<u>(1,634,391)</u>	<u>(1,084,806)</u>	<u>549,585</u>
<i>Fund Balance Beginning of Year</i>	<u>2,432,007</u>	<u>2,432,007</u>	<u>2,432,007</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>133,228</u>	<u>133,228</u>	<u>133,228</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$2,118,870</u>	<u>\$930,844</u>	<u>\$1,480,429</u>	<u>\$549,585</u>

See accompanying notes to the basic financial statements

Euclid Public Library
Cuyahoga County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 1 – Description of the Library and Reporting Entity

The Euclid Public Library, Cuyahoga County, Ohio (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 Euclid City School District’s 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, 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 related organization of the Ohio School District.

Component units are legally separate organizations for which the Library is financially accountable. The Library is financially accountable for an organization if the Library appoints a voting majority of the organization's governing board and (1) the Library is able to significantly influence the programs or services performed or provided by the organization; or (2) the Library is legally entitled to or can otherwise access the organization's resources; the Library is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Library is obligated for the debt of the organization. Component units may also include organizations for which the Library approves the budget, the issuance of debt of the levying of taxes. The Library does not have any component units.

The Friends of the Euclid Public Library and the Euclid Public Library Foundation are not-for-profit organizations with self-appointing boards. The Library is not financially accountable for the organizations, nor does the Library approve the budgeting or the issuance of debt of the organizations. The Euclid Public Library does not receive amounts from the Friends of the Euclid Public Library or the Euclid Public Library Foundation that the State would consider significant. Therefore, these organizations have been excluded from the reporting entity of the library.

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

Note 2 – Summary of Significant Accounting Policies

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

Euclid Public Library
Cuyahoga County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the Library as a whole. These statements include the financial activities of the Library. These statements usually distinguish between those activities of the Library that are governmental and those that are considered business-type. However, the Library has only governmental activities; therefore, no business-type activities are presented.

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

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

Fund Accounting

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

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

General Fund The general fund accounts for and reports all financial resources except those required to be 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.

Building Fund The building fund accounts for and reports revenues derived from Board approved transfers from the general fund. These monies are unrestricted and have been assigned to major capital and technology improvements.

The other governmental funds of the Library account for and report grants and other resources whose use is restricted, committed or assigned to a particular purpose.

Euclid Public Library
Cuyahoga County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Basis of Accounting

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

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

Budgetary Process

All funds are legally required to be budgeted and appropriated. The budgetary process is prescribed by provisions of the Ohio Administrative Code and entails the preparation of budgetary documents within an established timetable. The Ohio Administrative Code section 117-8 does not require public libraries to budget receipts. However, sound budget practice suggests a government cannot appropriate responsibly unless they have an estimate of resources to support the appropriations. The Board must annually approve appropriations measures and subsequent amendments. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates.

The certificate of estimated resources establishes a limit on the amount the Board of Trustees may appropriate. The appropriations resolution is the Board of Trustees' authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board of Trustees. The legal level of control has been established by the Board of Trustees at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Trustees. The Fiscal Officer has been given authority to allocate Board appropriations to the function and object levels within each fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Fiscal Officer. The amounts reported as the original and final budgeted amounts on the budgetary statement reflects the amounts in the original and final amended certificate in effect at the time original and final appropriations were passed.

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

Cash and Cash Equivalents

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

During 2023, investments were limited to STAR Ohio and federal home loan bank bonds. Investments are reported at cost, except for STAR Ohio.

Euclid Public Library
Cuyahoga County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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

For 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdrawals of \$100 million or more is appreciated. STAR Ohio reserves the right to limit the transaction to \$250 million per day.

Interest earnings are allocated to Library funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the general fund during 2023 was \$101,695 which includes \$40,740 assigned from other Library funds.

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

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

Inventory and Prepaid Items

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

Capital Assets

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

Accumulated Leave

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

Employer Contributions to Cost-Sharing Pension Plans

The Library recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

Long-Term Obligations

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

Euclid Public Library
Cuyahoga County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

recording a capital asset (including the intangible right to use) when entering into a lease, SBITA or financed purchase transaction is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments and SBITA payments are reported when paid.

Leases and SBITAs

For 2023, GASB Statement No. 96, *Subscription-Based Technology Arrangements*, was effective. This GASB pronouncement had no effect on beginning net position/fund balance.

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

Net Position

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

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

Fund Balance

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

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

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

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

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

Euclid Public Library
Cuyahoga County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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

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

Internal Activity

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Payments for interfund services provided and used are not eliminated.

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

Note 3 – Fund Balances

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

Fund Balances	General	Building Fund	Other Governmental Funds	Total Governmental Funds
<u>Restricted for:</u>				
Library Programs and Services	\$0	\$0	\$293,196	\$293,196
<u>Assigned to:</u>				
Capital Improvement Projects	0	6,613,472	0	6,613,472
Purchases on Order:				
General Library Services	222,551	0	0	222,551
<i>Total Assigned</i>	<u>222,551</u>	<u>6,613,472</u>	<u>0</u>	<u>6,836,023</u>
Unassigned	1,480,429	0	0	1,480,429
Total Fund Balances	<u><u>\$1,702,980</u></u>	<u><u>\$6,613,472</u></u>	<u><u>\$293,196</u></u>	<u><u>\$8,609,648</u></u>

Euclid Public Library
Cuyahoga County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 4 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The statement of receipts, disbursements, and changes in fund balance – budget and actual – budget basis presented for the general fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year-end encumbrances are treated as disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis). The encumbrances outstanding, for the general fund at December 31, 2023 (budgetary basis), amounted to \$222,551.

Note 5 – Deposits and Investments

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

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

Inactive deposits are public deposits that the Board has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

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

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

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

Euclid Public Library
Cuyahoga County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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.

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

Investments

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

Investment	Measurement Amount	Maturity	Moody's	Percent of Total Investments
Net Asset Value (NAV) Per Share:				
STAR Ohio	\$5,339,225	Average 46.4 Days		N/A
Fair Value - Level One Inputs:				
Negotiable Certificates of Deposit	2,708,000	Less Than Two Years	NA	31.68
Federal Home Loan Bank Bonds	500,000	Less Than Five Years	Aaa	5.85 %
Total Portfolio	<u>\$8,547,225</u>			

Interest Rate Risk The Library has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date purchased, unless matched to a specific obligation or debt of the Library, and that an investment must be purchased with the exception that it will be held to maturity.

Euclid Public Library
Cuyahoga County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Credit Risk STAR Ohio carries a rating of AAAM by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

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

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

Grants in Aid

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

Property Taxes

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

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

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

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

The full tax rate for all Library operations for the year ended December 31, 2023, was \$5.60 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:

	<u>Assessed Value</u>
Real Property	\$714,603,130
Public Utility Property	<u>37,047,500</u>
Total Assessed Value	<u>\$751,650,630</u>

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

Euclid Public Library
Cuyahoga County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Tax Abatements

For 2023, the Library's property taxes were reduced by \$123,666 under various tax abatement agreements entered into by the City of Euclid.

Note 7 – Risk Management

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2023, the Library contracted with various companies for different types of insurance coverages as follows:

Company	Type of Coverage	Amount of Coverage
Ohio Plan Risk Management	Commercial Property	\$10,397,891
	General Liability	\$2,000,000/\$4,000,000
	Library Materials	\$3,772,908
	Automobile	\$2,000,000
	Public Officials Liability	\$2,000,000/\$4,000,000
	Inland Marine	\$25,000
	Cyber Liability	\$250,000
	Crime	\$50,000
	Computer Equipment/Software	\$418,569/\$119,592
Fidelity	Fiscal Officer Bond	\$50,000
Selective Insurance	Deputy Fiscal Officer Bond	\$50,000

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

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

Note 8 – Defined Benefit Pension Plan

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

Ohio Public Employees Retirement System (OPERS)

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

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For the Year Ended December 31, 2023

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

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

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

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

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.

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For the Year Ended December 31, 2023

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 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:

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

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

** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 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.

Euclid Public Library
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For the Year Ended December 31, 2023

For 2023, the Library's contractually required contribution was \$376,871 for the traditional plan, none for the combined plan and \$5,329 for the member-directed plan.

Note 9 – Postemployment Benefits

Ohio Public Employees Retirement System

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

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

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to traditional pension plan and combined plan benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the traditional pension plan or combined plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

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

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

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

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

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

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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).

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.

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

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. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023, OPERS did not allocate any employer contribution to health care for members in the traditional pension plan and beginning July 1, 2022, there was a two percent allocation to health care for the combined plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2022 was 4.0 percent; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Library's contractually required contribution was \$888 for 2023.

Note 10 – Interfund Transactions

Transfers

During 2023, the general fund transferred \$1,200,000 to the building capital projects fund to finance capital projects.

Advances

The general fund made advances in the amount of \$300,000 to other governmental funds to provide capital for operations or projects. As of December 31, 2023, \$300,000 of advances remain outstanding between the general fund and other governmental funds.

Note 11 – Contingent Liabilities

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

Note 12 – Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were \$222,551 in the general fund, \$1,510,432 in the building capital projects fund and \$267,340 in other governmental funds.

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

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. During 2023, the Library received COVID-19 funding. The Library will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

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OHIO AUDITOR OF STATE KEITH FABER

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Columbus, Ohio 43215
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800-282-0370

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

Euclid Public Library
Cuyahoga County
631 East 222nd Street
Euclid, Ohio 44123

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 cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Euclid Public Library, Cuyahoga County, Ohio (the Library) as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements and have issued our report thereon dated November 13, 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.

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



EUCLID PUBLIC LIBRARY

CUYAHOGA 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