



**GRAND VALLEY PUBLIC LIBRARY ASSOCIATION
ASHTABULA COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**GRAND VALLEY PUBLIC LIBRARY ASSOCIATION
ASHTABULA COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Governmental Fund Type – For the Year Ended December 31, 2000	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Governmental Fund Type – For the Year Ended December 31, 1999	4
Notes to the Financial Statements	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	9

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Voinovich Government Center
242 Federal Plaza West
Suite 302
Youngstown, Ohio 44503
Telephone 330-797-9900
800-443-9271
Facsimile 330-797-9949
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Grand Valley Public Library Association
Ashtabula County
1 North School St. P.O. Box 188
Orwell, Ohio 44076

To the Board of Trustees:

We have audited the accompanying financial statements of Grand Valley Public Library Association, Ashtabula County, Ohio, (the Library) as of and for the years ended December 31, 2000 and December 31, 1999. These financial statements are the responsibility of the Library's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the Library prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the Library as of December 31, 2000 and 1999, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2001 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the audit committee, management and the Board of Trustees, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

June 20, 2001

This page intentionally left blank.

**GRAND VALLEY PUBLIC LIBRARY ASSOCIATION
ASHTABULA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GOVERNMENTAL FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2000**

<u>Governmental Fund</u>	
	<u>General</u>
Cash Receipts:	
Government Grants-In-Aid	\$180,518
Patron Fines and Fees	2,819
Earnings on Investments	13,597
Contributions, Gifts and Donations	400
Miscellaneous Receipts	<u>6,487</u>
Total Cash Receipts	<u>203,821</u>
Cash Disbursements:	
Current:	
Salaries and Benefits	78,131
Purchased and Contracted Services	35,222
Supplies	6,198
Library Materials and Information	28,674
Other Objects	6,735
Capital Outlay	<u>8,192</u>
Total Cash Disbursements	<u>163,152</u>
Total Cash Receipts Over/(Under) Cash Disbursements	40,669
Fund Cash Balances, January 1	<u>221,117</u>
Fund Cash Balances, December 31	<u><u>\$261,786</u></u>

The notes to the financial statements are an integral part of this statement.

**GRAND VALLEY PUBLIC LIBRARY ASSOCIATION
ASHTABULA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GOVERNMENTAL FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1999**

<u>Governmental Fund</u>	
	<u>General</u>
Cash Receipts:	
Government Grants-In-Aid	\$167,322
Patron Fines and Fees	2,383
Earnings on Investments	9,301
Contributions, Gifts and Donations	100
Miscellaneous Receipts	<u>5,200</u>
Total Cash Receipts	<u>184,306</u>
Cash Disbursements:	
Current:	
Salaries and Benefits	78,232
Purchased and Contracted Services	38,740
Supplies	4,063
Library Materials and Informaion	30,090
Other Objects	5,043
Capital Outlay	<u>5,571</u>
Total Cash Disbursements	<u>161,739</u>
Total Cash Receipts Over/(Under) Cash Disbursements	22,567
Fund Cash Balance, January 1 (Restated)	<u>198,550</u>
Fund Cash Balances, December 31	<u><u>\$221,117</u></u>

The notes to the financial statements are an integral part of this statement.

**GRAND VALLEY PUBLIC LIBRARY ASSOCIATION
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Grand Valley Public Library Association, Ashtabula County, (the Library) is a nonprofit Ohio Corporation originally chartered by the Secretary of the State of Ohio on September 6th, 1903, as the Orwell Library Association, for the purpose of the maintenance and circulation of a Public Library. In 1989, the Board of Trustees changed the name to Grand Valley Public Library.

The Library's district consists of the entire Grand Valley Area, however free service is offered to all county residents. There are seven other independent library districts in Ashtabula County, all of which issue their own financial statements.

The Library is directed by a seven-member Board of Trustees appointed by each other, with two members from either Orwell Village or Orwell Township. The five remaining members may be from any community in the Grand Valley Area.

The Library provides the community with various educational and literary resources.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

The Library maintained a general operating interest bearing account. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

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 disbursements, respectively.

D. Fund Accounting

The Library uses fund accounting to segregate cash and investments that are restricted as to use. The Library classifies its funds into the following types:

**GRAND VALLEY PUBLIC LIBRARY ASSOCIATION
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

E. Budgetary Process

The Ohio Administrative Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the function level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Administrative Code requires the Library to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

G. Unpaid Vacation Leave

Employees are entitled to cash payments for unused vacation leave in certain circumstances, such as upon leaving employment. Unpaid vacation leave is not reflected as a liability under the basis of accounting used by the Library.

**GRAND VALLEY PUBLIC LIBRARY ASSOCIATION
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Library maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>2000</u>	<u>1999</u>
Demand deposits	\$18,854	\$16,343
Investments :STAR Ohio	242,782	204,624
Total deposits and investments	\$261,636	\$220,967

Deposits: Deposits were insured by the Federal Depository Insurance Corporation.

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

Cash on Hand: At year end, the Library had \$150 in undeposited cash on hand which is included on the financial statements of the Library as part of the General Fund balance

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$196,543	\$203,821	\$7,278
2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$407,497	\$163,152	\$244,345
1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$178,393	\$184,306	\$14,613
1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$376,793	\$161,739	\$215,054

**GRAND VALLEY PUBLIC LIBRARY ASSOCIATION
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

4. GRANTS-IN-AID

The primary source of revenue for Ohio public libraries is the State Library and Local Government Support Fund (LLGSF). The LLGSF is allocated to each county based on the county's prior intangibles tax of LLGSF revenues, and its population. The County Budget Commission allocates these funds to the Library based on its needs such as for the construction of new library buildings, improvements, operation, maintenance, or other expenses. The Budget Commission cannot reduce its allocation of these funds to the Library on account of any additional revenues realized by the Library.

5. RETIREMENT SYSTEMS

The Library's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Library contributed an amount equal to 13.55% in 1999 and 10.84% in 2000, of participants' gross salaries. The Library has paid all contributions required through December 31, 2000.

Effective July 1, 1991, all employees not otherwise covered by PERS have an option to choose Social Security or the PERS. All of the Library's employees were covered by PERS.

6. RISK MANAGEMENT

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Errors and omissions

The Library also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

7. RESTATEMENT OF FUND BALANCE

The Clerk went on the UAN Network in May 1999. During the conversion process, a resolution was passed by the Trustees to move the fund balance from the Capital Projects Fund to the General Fund effective January 1, 1999. The beginning balance also changed to reflect the petty cash amount of \$150 which was not included in the UAN fund balances. These changes required an adjustment to the January 1, 1999 beginning fund balance as compared to the December 31, 1998 ending fund balances as shown below:

Fund Type/Fund	Previously Stated Balance at 12/31/98	Reclassification	Restated Balance at 1/1/99
Governmental:			
General Fund	\$22,997	\$175,553	\$198,550



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Voinovich Government Center
242 Federal Plaza West
Suite 302
Youngstown, Ohio 44503
Telephone 330-797-9900
800-443-9271
Facsimile 330-797-9949
www.auditor.state.oh.us

**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Grand Valley Public Library Association
Ashtabula County
1 North School St. P.O. Box 188
Orwell, Ohio 44076

To the Board of Trustees:

We have audited the accompanying financial statements of Grand Valley Public Library Association, Ashtabula County, Ohio (the Library), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 20, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Library's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 that are required to be reported under *Government Auditing Standards*. However, we noted one immaterial instance of noncompliance that we have reported to management of the Library in a separate letter dated June 20, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Library's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the audit committee, management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

June 20, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

GRAND VALLEY PUBLIC LIBRARY ASSOCIATION

ASHTABULA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 12, 2001**