



OHIO AUDITOR OF STATE
KEITH FABER



**ASHTABULA COUNTY DISTRICT LIBRARY
ASHTABULA COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types - For the Year Ended December 31, 2024	5
Statement of Receipts, Disbursements, and Change in Fund Balance (Regulatory Cash Basis) – Proprietary Fund Type - For the Year Ended December 31, 2024	6
Statement of Additions, Deductions, and Change in Fund Balance (Regulatory Cash Basis) – Fiduciary Fund Type - For the Year Ended December 31, 2024	7
Notes to the Financial Statements For the Year Ended December 31, 2024	8
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2023	17
Statement of Receipts, Disbursements, and Change in Fund Balance (Regulatory Cash Basis) – Proprietary Fund Type - For the Year Ended December 31, 2023	18
Statement of Additions, Deductions, and Change in Fund Balance (Regulatory Cash Basis) – Fiduciary Fund Type - For the Year Ended December 31, 2023	19
Notes to the Financial Statements For the Year Ended December 31, 2023	20
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	27

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INDEPENDENT AUDITOR'S REPORT

Ashtabula County District Library
Ashtabula County
4335 Park Avenue
Ashtabula, Ohio 44004

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

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

Unmodified Opinion on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinions

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

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

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Ashtabula County District Library
Ashtabula County
Independent Auditor's Report
Page 3

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2025, on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Library's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

May 14, 2025

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ASHTABULA COUNTY DISTRICT LIBRARY
ASHTABULA COUNTY

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

	General	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$1,547,425	\$0	\$0	\$1,547,425
Public Library	1,661,122			1,661,122
Intergovernmental	35,162			35,162
Patron Fines and Fees	23,557			23,557
Contributions, Gifts and Donations	19,015		128,239	147,254
Earnings on Investments	123,511		78,270	201,781
Miscellaneous	7,805			7,805
<i>Total Cash Receipts</i>	<i>3,417,597</i>	<i>0</i>	<i>206,509</i>	<i>3,624,106</i>
Cash Disbursements				
Current Library Services:				
Public Services and Programs	1,384,861			1,384,861
Collection Development and Processing	511,257		8,256	519,513
Support Services:				
Facilities Operation and Maintenance	198,744			198,744
Information Services	95,809			95,809
Business Administration	599,463		3,046	602,509
Capital Outlay			2,288,615	2,288,615
Debt Service:				
Principal Retirement	8,820	126,000		134,820
Interest and Fiscal Charges		29,350		29,350
<i>Total Cash Disbursements</i>	<i>2,798,954</i>	<i>155,350</i>	<i>2,299,917</i>	<i>5,254,221</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>618,643</i>	<i>(155,350)</i>	<i>(2,093,408)</i>	<i>(1,630,115)</i>
Other Financing Receipts (Disbursements)				
Transfers In		155,350	1,489,864	1,645,214
Transfers Out	(1,645,214)			(1,645,214)
Proceeds of Notes	1,250,000			1,250,000
Other Financing Uses	(135,512)			(135,512)
<i>Total Other Financing Receipts (Disbursements)</i>	<i>(530,726)</i>	<i>155,350</i>	<i>1,489,864</i>	<i>1,114,488</i>
<i>Net Change in Fund Cash Balances</i>	<i>87,917</i>	<i>0</i>	<i>(603,544)</i>	<i>(515,627)</i>
<i>Fund Cash Balances, January 1</i>	<i>2,093,628</i>	<i>0</i>	<i>1,275,518</i>	<i>3,369,146</i>
<i>Fund Cash Balances, December 31</i>	<i>\$2,181,545</i>	<i>\$0</i>	<i>\$671,974</i>	<i>\$2,853,519</i>

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

ASHTABULA COUNTY DISTRICT LIBRARY
ASHTABULA COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGE IN FUND BALANCE (REGULATORY CASH BASIS)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2024

	Enterprise
Operating Cash Receipts	<u>\$0</u>
<i>Total Operating Cash Receipts</i>	<u>0</u>
 Operating Cash Disbursements	
Employee Fringe Benefits	8,537
Library Materials and Information	<u>3,723</u>
<i>Total Operating Cash Disbursements</i>	<u>12,260</u>
 <i>Operating Income (Loss)</i>	<u>(12,260)</u>
 Non-Operating Receipts (Disbursements)	
Miscellaneous Receipts	<u>44,196</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>44,196</u>
 <i>Net Change in Fund Cash Balances</i>	31,936
 <i>Fund Cash Balances, January 1</i>	<u>43,091</u>
 <i>Fund Cash Balances, December 31</i>	<u>\$75,027</u>

ASHTABULA COUNTY DISTRICT LIBRARY
ASHTABULA COUNTY

STATEMENT OF ADDITIONS, DEDUCTIONS
AND CHANGES IN FUND BALANCE (REGULATORY CASH BASIS)
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2024

	Fiduciary Fund Type
Additions	
Earnings on investment	\$49
<i>Total Additions</i>	<u>49</u>
Deductions	
Other Distributions	442
<i>Total Deductions</i>	<u>442</u>
<i>Net Change in Fund Cash Balance</i>	(393)
<i>Fund Cash Balance, January 1</i>	<u>2,427</u>
<i>Fund Cash Balance, December 31</i>	<u><u>\$2,034</u></u>

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

Ashtabula County District Library
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 1 - Reporting Entity

The Ashtabula County District Library (the Library), Ashtabula County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. Ashtabula County Commissioners appoint four (4) members of the Board of Trustees and Ashtabula County Common Pleas Judges appoint three (3) members of the Board of Trustees to govern the Library. 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.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

The Library uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Library are presented below:

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

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Library had the following significant debt service fund:

Debt Service Fund (3001) – This fund is maintained for the purpose of servicing the facilities construction debt with Huntington bank. A portion of each monthly PLF distribution is transferred from the General Fund (1000) to the Debt Service Fund (3001) and then disbursed to Andover Bank on a semi-annual basis.

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

Asset Preservation Fund (4006) – This fund is maintained to support previous capital project expenditures, such as the Bookmobile. In 2023, the entire fund balance was used as part of the down payment for the Library's new Bookmobile, leaving a \$0 fund balance as of December 31, 2023. This fund is inactive as of December 31, 2024.

Development Fund (4007) – This fund is used to account for the expenditure of capital funds, including but not limited to, facilities and technology construction and upgrades.

Ashtabula County District Library
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Enterprise Funds Enterprise funds are used to report any activity for which a fee is charged to external users for goods or services. The Library had the following significant enterprise fund:

Lakeside HS Library Fund (5001) – This fund was established to account for the revenues and expenditures resulting from the Library's operation of the Library at Lakeside High School (Ashtabula Area City School District or "AACSD"). AACSD reimburses the Library for the services of a professional librarian that manages the High School Library, along with reimbursing for materials purchased by the Library on behalf of AACSD.

During Thanksgiving weekend of 2024, AACSD endured a massive snowstorm, with snowfall reported to be 5 feet. The build of snow on the roof of Lakeside High School caused the roof to collapse, resulting in the suspension of the Library provided services to AACSD during the month of 2024, and extending into 2025.

Private Purpose Trust Funds These funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Library's own programs. The Library had the following private purpose trust fund:

Private Purpose Trust – Griffith 2 (9752) – This fund was established by the family of Sharon Griffith for the purpose of purchasing Spanish-language material for the Geneva Library.

Basis of Accounting

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

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

Budgetary Process

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

A summary of 2024 budgetary activity appears in Note 3.

Deposits and Investments

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

The Library values U.S. Treasury Notes and insured Certificates of Deposit at cost. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Ashtabula County District Library
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Capital Assets

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

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

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

Non-spendable. The Library classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact.

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

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

Assigned. Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Library Board or a Library official delegated that authority by resolution, or by State Statute.

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

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

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Debt Service fund by \$155,350 for the year ended December 31, 2024.

Ashtabula County District Library
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 4 – Budgetary Activity

Budgetary activity for the year ended December 31, 2024 was as follows:

2024 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$5,662,616	\$4,667,597	(\$995,019)
Debt Service	142,000	155,350	\$13,350
Capital Projects	3,126,328	1,696,373	(1,429,955)
Enterprise	93,310	44,196	(49,114)
Private Purpose Trust	0	49	49
Total	\$9,024,254	\$6,563,565	(\$2,460,689)

2024 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$4,848,178	\$4,585,142	\$263,036
Debt Service	0	155,350	(155,350)
Capital Projects	3,927,152	2,299,917	1,627,235
Enterprise	63,002	12,260	50,742
Private Purpose Trust	2,427	442	1,985
Total	\$8,840,759	\$7,053,111	\$1,787,648

Note 5 – Deposits and Investments

To improve cash management, cash received by the Library is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Library's deposits and investment accounts are as follows:

	2024
Demand deposits	\$287,535
Other time deposits (savings and NOW accounts)	0
Total deposits	287,535
U.S Treasury Notes	398,452
STAR Ohio	2,244,593
Total investments	2,643,045
Total deposits and investments	\$2,930,580

Ashtabula County District Library
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through 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.

Investments

At December 31, 2024, all U.S. Treasurer Notes owned by the Library and held by either Multi-Bank Securities, Inc., are guaranteed by the Federal Government. Collectively, the Library's investment in these notes total \$398,452.

Note 6 – Grants in Aid and Taxes

Grants in Aid

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

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the taxing authority of the subdivision to whose jurisdiction the Library is subject adopts rates. The State Department of Taxation, Division of Tax Equalization, adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as intergovernmental revenue.

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

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

Note 7 - Risk Management

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 (if material).

Commercial Insurance

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

Ashtabula County District Library
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 8 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Library contributed an amount equaling 14%, of participants' gross salaries. The Library has paid all contributions required through December 31, 2024.

Note 9 - Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. The portion of employer contributions allocated to health care for members in the traditional plan was 0 percent during calendar year 2024. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2024.

Note 10 - Debt

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

	Principal	Interest Rate
General Obligation Notes	\$1,124,000	Not to exceed 6%
Copier Lease	\$11,025	0%
Total	\$1,135,025	

The Library issued Library Fund Library Facilities Notes, Series 2024 to finance the addition to the Geneva Library. The Library's PLF Distribution collateralized the notes.

In association with the above notes, the Library established a debt service reserve fund (Fund 3001), included as a debt service fund. The balance in the fund at December 31, 2024 is \$0.

Leases

The Library leases photo-copiers from U.S. Bank Equipment under non-cancelable leases. The Library disbursed \$8,820 to pay lease costs for the year ended December 31, 2024. The lease with U.S. Bank Equipment Finance is scheduled to end in March 2026.

Ashtabula County District Library
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Amortization

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

Year Ending December 31:	Library Fund Facilities Note, Series 2024	Copier Lease
2025	\$155,491	\$8,820
2026	155,681	2,205
2027	155,637	
2028	156,360	
2029	155,803	
2030-2033	623,501	
Total	<u><u>\$1,402,473</u></u>	<u><u>\$11,025</u></u>

Note 11 – Construction and Contractual Commitments

The Library contracted with Regency Construction Services, Inc. (RCSI) to be the Construction Manager at Risk for the Geneva Library expansion. The remaining balance on the RCSI contract was \$2,219,396 at December 31, 2024.

The Library contracted with Library Design Associates, Inc. (LDA) for the furniture, fixture and equipment portion of the Geneva Library expansion. The remaining balance on the LDA contract was \$198,160 at December 31, 2024.

The Library contracted with Ziska Architecture, Inc. for architecture engineering services for the Geneva Library expansion. The balance on Ziska's contract was \$46,309 at December 31, 2024.

Note 12 – Joint Ventures

The Library entered into an agreement with AACSD wherein the Library will provide a professional librarian to operate the Lakeside High School Library three days per week. AACSD will reimburse the Library for the cost of the librarian and materials provided to AACSD.

Note 13 – Fund Balances

Included in fund balance are amounts the Library cannot spend. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Total
Outstanding Encumbrances	<u><u>\$5,462</u></u>	<u><u>\$5,462</u></u>
Total	<u><u>\$5,462</u></u>	<u><u>\$5,462</u></u>

Ashtabula County District Library
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2024

The fund balance of capital projects funds are restricted, committed, or assigned. These restricted, committed, and assigned amounts in the special revenue and capital projects funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 14 – Subsequent Events

The closure of Lakeside High School following the Thanksgiving Weekend snowstorm resulted in the suspension of the agreement between the Library and AACSD. In 2025, AACSD expressed a desire to have the Library operate the Library at Lakeside Junior High School, and an agreement is being negotiated to do so.

The cost to complete the expansion of the Geneva Library will increase as a result of change orders agreed to by the Library. It is anticipated the RCSI's agreement will be increased by approximately \$400,000 in 2025 as a result of these agreed upon change orders.

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**ASHTABULA COUNTY DISTRICT LIBRARY
ASHTABULA COUNTY**

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

	General	Capital Projects	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$1,455,878	\$0	\$1,455,878
Public Library	1,753,243	1,753,243	
Intergovernmental	44,502	44,502	
Patron Fines and Fees	22,970	22,970	
Contributions, Gifts and Donations	8,421	151,249	159,670
Earnings on Investments	54,427	33,667	88,094
Miscellaneous	18,790		18,790
<i>Total Cash Receipts</i>	<u>3,358,231</u>	<u>184,916</u>	<u>3,543,147</u>
Cash Disbursements			
Current Library Services:			
Public Services and Programs	2,475,733	124,335	2,600,068
Collection Development and Processing	17,000	17,000	
Capital Outlay	272,000		272,000
Debt Service:			
Principal Retirement	8,820		8,820
<i>Total Cash Disbursements</i>	<u>2,484,553</u>	<u>413,335</u>	<u>2,897,888</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>873,678</u>	<u>(228,419)</u>	<u>645,259</u>
Other Financing Receipts (Disbursements)			
Transfers In		245,510	245,510
Transfers Out	(245,510)		(245,510)
Other Financing Uses	(7,100)		(7,100)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(252,610)</u>	<u>245,510</u>	<u>(7,100)</u>
<i>Net Change in Fund Cash Balances</i>	<u>621,068</u>	<u>17,091</u>	<u>638,159</u>
<i>Fund Cash Balances, January 1</i>	<u>1,472,560</u>	<u>1,258,427</u>	<u>2,730,987</u>
<i>Fund Cash Balances, December 31</i>	<u>\$2,093,628</u>	<u>\$1,275,518</u>	<u>\$3,369,146</u>

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

ASHTABULA COUNTY DISTRICT LIBRARY
ASHTABULA COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGE IN FUND BALANCE (REGULATORY CASH BASIS)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2023

	Enterprise
Operating Cash Receipts	<u>\$0</u>
<i>Total Operating Cash Receipts</i>	<u>0</u>
 Operating Cash Disbursements	
Employee Fringe Benefits	16,537
Library Materials and Information	<u>756</u>
<i>Total Operating Cash Disbursements</i>	<u>17,293</u>
 <i>Operating Income (Loss)</i>	<u>(17,293)</u>
 Non-Operating Receipts (Disbursements)	
Miscellaneous Receipts	<u>60,384</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>60,384</u>
 <i>Net Change in Fund Cash Balances</i>	43,091
 <i>Fund Cash Balances, January 1</i>	<u>0</u>
 <i>Fund Cash Balances, December 31</i>	<u>\$43,091</u>

ASHTABULA COUNTY DISTRICT LIBRARY
ASHTABULA COUNTY

STATEMENT OF ADDITIONS, DEDUCTIONS
AND CHANGES IN FUND BALANCE (REGULATORY CASH BASIS)
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2023

	Fiduciary Fund Type
Additions	
Earnings on investment	<u>\$7</u>
<i>Total Additions</i>	<u>7</u>
Deductions	
Other Distributions	<u>943</u>
<i>Total Deductions</i>	<u>943</u>
<i>Net Change in Fund Cash Balance</i>	<u>(936)</u>
<i>Fund Cash Balance, January 1</i>	<u>3,363</u>
<i>Fund Cash Balance, December 31</i>	<u><u>\$2,427</u></u>

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

Ashtabula County District Library
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 - Reporting Entity

The Ashtabula County District Library (the Library), Ashtabula County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. Ashtabula County Commissioners appoint four (4) members of the Board of Trustees and Ashtabula County Common Pleas Judges appoint three (3) members of the Board of Trustees to govern the Library. 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.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

The Library uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Library are presented below:

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

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

Asset Preservation Fund (4006) – This fund is maintained to support previous capital project expenditures, such as the Bookmobile. In 2023, the entire fund balance was used as part of the down payment for the Library's new Bookmobile, leaving a \$0 fund balance as of December 31, 2023.

Development Fund (4007) – This fund is used to account for the expenditure of capital funds, including but not limited to, facilities and technology construction and upgrades.

Ashtabula County District Library
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Enterprise Funds Enterprise funds are used to report any activity for which a fee is charged to external users for goods or services. The Library had the following significant enterprise fund:

Lakeside HS Library Fund (5001) – This fund was established to account for the revenues and expenditures resulting from the Library's operation of the Library at Lakeside High School (Ashtabula Area City School District or "AACSD"). AACSD reimburses the Library for the services of a professional librarian that manages the High School Library, along with reimbursing for materials purchased by the Library on behalf of AACSD.

Private Purpose Trust Funds These funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Library's own programs. The Library had the following private purpose trust fund:

Private Purpose Trust – Griffith 2 (9752) – This fund was established by the family of Sharon Griffith for the purpose of purchasing Spanish-language material for the Geneva Library.

Basis of Accounting

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

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

Budgetary Process

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

A summary of 2023 budgetary activity appears in Note 3.

Deposits and Investments

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

The Library values U.S. Treasury Notes and insured Certificates of Deposit at cost. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

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

Ashtabula County District Library
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

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

Non-spendable. The Library classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact.

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

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

Assigned. Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Library Board or a Library official delegated that authority by resolution, or by State Statute.

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

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

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the General and Lakeside High School funds by \$87,836 and \$17,292, respectively, for the year ended December 31, 2023.

Ashtabula County District Library
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 4 – Budgetary Activity

Budgetary activity for the year ended December 31, 2023 was as follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,210,166	\$3,358,231	\$148,065
Capital Projects	531,511	430,426	(101,085)
Enterprise	0	60,384	60,384
Private Purpose Trust	0	7	7
Total	\$3,741,677	\$3,849,048	\$107,371

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,649,328	\$2,737,163	(\$87,835)
Capital Projects	473,612	413,335	60,277
Enterprise	0	17,293	(17,293)
Private Purpose Trust	3,370	943	2,427
Total	\$3,126,310	\$3,168,734	(\$42,424)

Note 5 – Deposits and Investments

To improve cash management, cash received by the Library is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Library's deposits and investment accounts are as follows:

	2023
Demand deposits	\$48,876
Certificates of Deposit	2,874,000
Total deposits	2,922,876
U.S Treasury Notes	226,000
STAR Ohio	265,788
Total investments	491,788
Total deposits and investments	\$3,414,664

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through 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.

Ashtabula County District Library
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Investments

At December 31, 2023, all U.S. Treasurer Notes owned by the Library and held by either Multi-Bank Securities, Inc., are guaranteed by the Federal Government. Collectively, the Library's investment in these notes total \$226,000.

Note 6 – Grants in Aid and Taxes

Grants in Aid

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

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the taxing authority of the subdivision to whose jurisdiction the Library is subject adopts rates. The State Department of Taxation, Division of Tax Equalization, adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as intergovernmental revenue.

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

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

Note 7 - Risk Management

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 (if material).

Commercial Insurance

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

Note 8 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

Ashtabula County District Library
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2023

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Library contributed an amount equaling 14%, of participants' gross salaries. The Library has paid all contributions required through December 31, 2023.

Note 9 - Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. The portion of employer contributions allocated to health care for members in the traditional plan was 0 percent during calendar year 2023. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2023.

Note 10 - Debt

Debt outstanding at December 31, 2023, was as follows:

	Principal	Interest Rate
Copier Lease	\$19,845	0%
Total	<u>\$19,845</u>	

Leases

The Library leases photo-copiers from U.S. Bank Equipment under non-cancelable leases. The Library disbursed \$8,820 to pay lease costs for the year ended December 31, 2023. The lease with U.S. Bank Equipment Finance is scheduled to end in March 2026.

Amortization

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

Year Ending December 31:	Copier Lease
2024	\$8,820
2025	8,820
2026	2,205
Total	<u><u>\$19,845</u></u>

Note 11 – Construction and Contractual Commitments

In 2023, the Library resumed the planning for the addition to and renovation of the Geneva Public Library, which necessitated the following two significant contractual obligations:

1. Ziska Architecture – This firm will provide design services for the addition and renovation at a minimum cost of \$332,500 plus reimbursables. Ziska has been paid \$216,727 of this amount as of December 31, 2023.

Ashtabula County District Library
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2023

2. Regency Construction Services, Inc. – The Library anticipates this firm will provide Construction Manager at Risk services for the addition and renovation of the Geneva Public Library. The initial contractual obligation is \$28,767 for preconstruction services and reimbursables. Regency has been paid \$19,810 of this amount as of December 31, 2023.

Note 12 – Joint Ventures

The Library entered into an agreement with AACSD wherein the Library will provide a professional librarian to operate the Lakeside High School Library three days per week. AACSD will reimburse the Library for the cost of the librarian and materials provided to AACSD. On January 25, 2023, the Ohio Auditor of State notified the Library that the request to add Fund 5001 – Lakeside High School Library was approved.

Note 13 – Fund Balances

Included in fund balance are amounts the Library cannot spend. 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 there were no outstanding encumbrances.

The fund balance of capital projects funds are restricted, committed, or assigned. These restricted, committed, and assigned amounts in the special revenue and capital projects funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 14 – Subsequent Events

The Library anticipates decided to proceed or not proceed with the addition to and renovation of the Geneva Public Library during the first quarter of 2024.

The Library expects to take delivery of the new Bookmobile during the third quarter of 2024, at which the final payment of \$263,000 will be due.

OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
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

Ashtabula County District Library
Ashtabula County
4335 Park Avenue
Ashtabula, Ohio 44004

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2024 and 2023 and the related notes to the financial statements of the Ashtabula County District Library, Ashtabula County, Ohio (the Library) and have issued our report thereon dated May 14, 2025, wherein we noted the Library followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

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

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

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

Ashtabula County District Library
Ashtabula County
Independent Auditor's Report On Internal Control Over
Financial Reporting And On Compliance And Other Matters
Required By *Government Auditing Standards*
Page 2

Report on Compliance and Other Matters

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

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

May 14, 2025

OHIO AUDITOR OF STATE KEITH FABER



ASHTABULA COUNTY DISTRICT LIBRARY

ASHTABULA 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 6/3/2025

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