



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

STEUBENVILLE JEFFERSON COUNTY PUBLIC LIBRARY
JEFFERSON COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental and Fiduciary Fund Types – For the Year Ended December 31, 2001	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental and Fiduciary Fund Types – For the Year Ended December 31, 2000	4
Notes to the Financial Statements	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11

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 330-797-9499
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Steubenville Jefferson County Public Library
Jefferson County
407 South Fourth Street
Steubenville, Ohio 43952

To the Board of Trustees:

We have audited the accompanying financial statements of the Steubenville Jefferson County Public Library, Jefferson County, Ohio (the Library) as of and for the years ended December 31, 2001 and 2000. 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 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. 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 discussed 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 combined fund cash balances and reserves for encumbrances of the Steubenville Jefferson County Public Library as of December 31, 2001 and 2000, and its combined 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 March 28, 2002 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, 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.

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

March 28, 2002

This page intentionally left blank.

STEUBENVILLE JEFFERSON COUNTY PUBLIC LIBRARY
JEFFERSON COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Governmental Fund Types		Fiduciary Fund Type		Totals (Memorandum Only)
	General	Capital Projects	Expendable Trust	Non-Expendable Trust	
Cash Receipts:					
Property and Other Local Taxes	\$3,205,599				\$3,205,599
Other Government Grants-In-Aid		85,290			85,290
Patron Fines and Fees	69,503				69,503
Earnings on Investments	76,448	141,044		1,344	218,836
Contributions, Gifts and Donations	5,702	136,428			142,130
Miscellaneous Receipts	6,206				6,206
Total Cash Receipts	3,363,458	362,762		1,344	3,727,564
Cash Disbursements:					
Current:					
Salaries and Benefits	1,946,551				1,946,551
Purchased and Contracted Services	393,180	9,110			402,290
Supplies	109,659	20,889			130,548
Library Materials and Information	465,879	77,341			543,220
Other Objects	12,644	435,433			448,077
Capital Outlay	82,638				82,638
Total Cash Disbursements	3,010,551	542,773			3,553,324
Total Cash Receipts Over/(Under) Cash Disbursements	352,907	(180,011)		1,344	174,240
Other Financing Receipts/(Disbursements):					
Transfers-In		112	26,785		26,897
Transfers-Out	(26,897)				(26,897)
Total Other Financing Receipts/(Disbursements)	(26,897)	112	26,785		174,240
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	326,010	(179,899)	26,785	1,344	174,240
Fund Cash Balances, January 1	269,701	2,401,654	67	23,825	2,695,247
Fund Cash Balances, December 31	\$595,711	\$2,221,755	\$26,852	\$25,169	\$2,869,487
Reserves for Encumbrances, December 31	<u>\$111,013</u>	<u>\$22,610</u>	<u></u>	<u></u>	<u>\$133,623</u>

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

**STEUBENVILLE JEFFERSON COUNTY PUBLIC LIBRARY
JEFFERSON COUNTY**

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

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	<u>Non-Expendable Trust</u>	
Cash Receipts:					
Property and Other Local Taxes	\$3,167,771				\$3,167,771
Patron Fines and Fees	64,997			\$1,245	66,242
Earnings on Investments	27,734	\$107,381			135,115
Contributions, Gifts and Donations	4,238				4,238
Miscellaneous Receipts	11,497				11,497
Total Cash Receipts	<u>3,276,237</u>	<u>107,381</u>		<u>1,245</u>	<u>3,384,863</u>
Cash Disbursements:					
Current:					
Salaries and Benefits	1,752,596				1,752,596
Purchased and Contracted Services	385,484				385,484
Other Objects	11,649				11,649
Supplies	73,044				73,044
Library Materials and Information	394,112	26,651			420,763
Capital Outlay	137,873	347,934			485,807
Total Cash Disbursements	<u>2,754,758</u>	<u>374,585</u>			<u>3,129,343</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>521,479</u>	<u>(267,204)</u>		<u>1,245</u>	<u>255,520</u>
Other Financing Receipts/(Disbursements):					
Transfers-In		534,902			534,902
Transfers-Out	(534,902)				(534,902)
Total Other Financing Receipts/(Disbursements)	<u>(534,902)</u>	<u>534,902</u>			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(13,423)</u>	<u>267,698</u>		<u>1,245</u>	<u>255,520</u>
Fund Cash Balances, January 1	<u>283,124</u>	<u>2,133,956</u>	<u>\$67</u>	<u>22,580</u>	<u>2,439,727</u>
Fund Cash Balances, December 31	<u>\$269,701</u>	<u>\$2,401,654</u>	<u>\$67</u>	<u>\$23,825</u>	<u>\$2,695,247</u>
Reserves for Encumbrances, December 31	<u>\$182,760</u>	<u>\$158,394</u>			<u>\$341,154</u>

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

**STEUBENVILLE JEFFERSON COUNTY PUBLIC LIBRARY
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Steubenville Jefferson County Public Library, Jefferson County, (the Library) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of Ohio. The Library is directed by a six-member Board of Trustees appointed by the Mayor of the City of Steubenville. 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

Investments are included in fund cash balances. 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.

Certificates of deposits are valued at cost. Money market mutual funds (including STAR Ohio) are recorded at share values reported by the mutual fund.

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:

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.

2. Capital Projects Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Library had the following significant capital projects funds:

Building and Repair Fund - This fund is used to purchase land and buildings and to make repairs to existing buildings.

**STEUBENVILLE JEFFERSON COUNTY PUBLIC LIBRARY
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Automation Fund - This fund is used to purchase furniture and equipment for the Library.

3. Fiduciary Funds (Trust Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Library to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. The Library had the following significant fiduciary funds:

Naylor Trust Fund - This is a non-expendable trust fund. Interest earned on the principal of the trust may be used to purchase books.

Memorial Trust Fund - This is an expendable trust fund. This fund receives monies from estates that are left to the Library for the purchase of educational materials.

E. Budgetary Process

The Ohio Administrative Code requires budgeting for each fund annually.

1. Appropriations

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 function level of control.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

3. Encumbrances

The Ohio Administrative Code requires the Library to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

Effective January 1, 2001, the Ohio Administrative Code amended library budgetary requirements. Libraries are not required to estimate resources or encumber appropriations.

A summary of 2001 and 2000 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

**STEUBENVILLE JEFFERSON COUNTY PUBLIC LIBRARY
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Accumulated Leave

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2001	2000
Demand deposits	\$412,803	\$251,735
Certificates of deposit	1,206,179	2,272,579
Total deposits	1,618,982	2,524,314
STAR Ohio	1,250,505	170,933
Total deposits and investments	\$2,869,487	\$2,695,247

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by securities specifically pledged by the financial institution to the Library.

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2001 and December 31, 2000 follows:

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,633,159	\$3,148,461	\$484,698
Capital Projects	2,232,064	565,383	1,666,681
Total	\$5,865,223	\$3,713,844	\$2,151,379

**STEUBENVILLE JEFFERSON COUNTY PUBLIC LIBRARY
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,266,610	\$3,276,237	\$9,627
Capital Projects	0	642,283	642,283
Fiduciary	0	1,245	1,245
Total	\$3,266,610	\$3,919,765	\$653,155

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,559,362	\$3,472,420	\$86,942
Capital Projects	1,632,925	532,979	1,099,946
Total	\$5,192,287	\$4,005,399	\$1,186,888

4. GRANTS-IN-AID AND TAX RECEIPTS

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 based on of any additional revenues the Library receives.

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the taxing authority of the subdivision to whose jurisdiction the Library is subject. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Other Governments Grants In Aid. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

**STEUBENVILLE JEFFERSON COUNTY PUBLIC LIBRARY
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

5. RETIREMENT SYSTEM

The Public Employees Retirement System of Ohio (PERS) is a state operated, cost-sharing, multiple employer public employee retirement system. PERS provides retirement benefits to vested employees who are eligible to retire based upon years of service. PERS also provides survivor and disability benefits to vested employees.

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, PERS members contributed 8.5% of their gross salaries. The Library contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13% effective July 1, 2000 through December 31, 2000. The Library has paid all contributions required through December 31, 2001.

6. RISK MANAGEMENT

Commercial Insurance

The Library has obtained commercial insurance for the following risks:

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

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

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

Voinovich Government Center
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**

Steubenville Jefferson County Public Library
Jefferson County
407 South Fourth Street
Steubenville, Ohio 43952

To the Board of Trustees:

We have audited the accompanying financial statements of the Steubenville Jefferson County Public Library, Jefferson County (the Library) as of and for the years ended December 31, 2001 and December 31, 2000, and have issued our report thereon dated March 28, 2002. We conducted our audit in accordance with 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.

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 an immaterial instance of noncompliance that we have reported to management of the Library in a separate letter dated March 28, 2002.

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

Jim Petro
Auditor of State

March 28, 2002



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

STEUBENVILLE JEFFERSON COUNTY PUBLIC LIBRARY

JEFFERSON 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
MAY 21, 2002**