



Dave Yost • Auditor of State

**ST. CLAIRSVILLE PUBLIC LIBRARY
BELMONT COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

St. Clairsville Public Library
Belmont County
108 West Main Street
St. Clairsville, Ohio 43950

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Clairsville Public Library, Belmont County, Ohio (the Library), as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Library's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Library's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Clairsville Public Library, Belmont County, Ohio, as of December 31, 2014 and 2013, and the respective changes in cash financial position and the respective budgetary comparison for the General and the Marcy Lewis Memorial Fund thereof for the years then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

Other Matters

Supplemental and Other Information

We applied no procedures to the Management's Discussion & Analysis presented on pages 3 - 8 of the report, and accordingly, we express no opinion or any other assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2015, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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.



Dave Yost
Auditor of State
Columbus, Ohio

July 31, 2015

St. Clairsville Public Library
Management's Discussion and Analysis
For the Years Ended December 31, 2014 and 2013
Unaudited

This discussion and analysis of the St. Clairsville Public Library's (the Library) financial performance provides an overall review of the Library's financial activities for the years ended December 31, 2014 and 2013, within the limitations of the Library's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Library's financial performance.

Highlights

Key highlights for 2014 and 2013 are as follows:

Net position decreased \$47,686 from December 31, 2013 to December 31, 2014. During 2014, the Technology Center was completed and a Teen Room was added to the Library. Programming was increased to include various adult programs.

Net position increased \$273 from December 31, 2012 to December 31, 2013.

General receipts accounted for \$415,805 and \$409,928 of all receipts during 2014 and 2013, respectively. The general revenue receipts consist of primarily intergovernmental receipts and earned interest. Program receipts in the form of charges for services and contributions accounted for 9% of total receipts during 2014 and 8% in 2013.

Using the Basic Financial Statements

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

Report Components

The Statement of Net Position and the Statement of Activities provide information about the cash activities of the Library as a whole.

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

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

Basis of Accounting

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

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

Reporting the Library as a Whole

The Statement of Net Position and the Statement of Activities reflect how the Library did financially during 2014 and 2013, within the limitations of cash basis accounting. The Statement of Net Position presents the cash balances of the governmental activities of the Library at year end. The Statement of Activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Library's general receipts.

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

In the Statement of Net Position and the Statement of Activities, the Library has only one type of activity:

Governmental activities. The Library's basic services are reported here. Public Library Fund finances most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Library's Most Significant Fund

Fund financial statements provide detailed information about the Library's major funds – not the Library as a whole. The Library establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Library are all governmental.

Governmental Funds – All of the Library's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Library's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Library's programs. The Library's significant governmental funds are presented on the financial statements in separate columns. The Library's major governmental funds are the General Fund, Marcy Lewis Memorial Fund and Capital Projects Fund. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

St. Clairsville Public Library
Management's Discussion and Analysis
For the Years Ended December 31, 2014 and 2013
Unaudited

The Library as a Whole

Table 1 provides a summary of the Library's net position for 2014 compared to 2013 and for 2013 compared to 2012 on a cash basis:

(Table 1)
Net Position

	Governmental Activities		
	2014	2013	2012
Assets			
Cash and Cash Equivalents	\$532,864	\$580,550	\$580,277
Total Assets	\$532,864	\$580,550	\$580,277
Net Position			
Restricted for:			
Capital Projects	\$90,750	\$93,600	\$98,282
Other Purposes	\$168,444	\$171,312	\$171,280
Unrestricted	\$273,670	\$315,638	\$310,715
Total Net Position	\$532,864	\$580,550	\$580,277

As mentioned previously, net position of governmental activities decreased \$47,686 and increased \$273 during 2014 and 2013, respectively.

St. Clairsville Public Library
Management's Discussion and Analysis
For the Years Ended December 31, 2014 and 2013
Unaudited

Table 2 reflects the changes in net position on a cash basis in 2014 and 2013 for governmental activities.

(Table 2)
Changes in Net Position

	Governmental Activities		
	2014	2013	2012
Receipts:			
Program Receipts:			
Charges for Services	\$12,537	\$11,636	\$12,618
Contributions	31,044	21,857	3,102
Total Program Receipts	<u>43,581</u>	<u>33,493</u>	<u>15,720</u>
General Receipts:			
Unrestricted gifts and contributions	5,782	2,996	3,122
Grants and Entitlements Not Restricted to Specific Programs	386,402	393,992	385,160
Interest	1,024	664	391
Miscellaneous	<u>22,597</u>	<u>12,276</u>	<u>7,787</u>
Total General Receipts	<u>415,805</u>	<u>409,928</u>	<u>396,460</u>
Total Receipts	<u>459,386</u>	<u>443,421</u>	<u>412,180</u>
Disbursements:			
Library Services	471,315	420,819	397,986
Capital Outlay	<u>35,757</u>	<u>22,329</u>	<u>47,385</u>
Total Disbursements	<u>507,072</u>	<u>443,148</u>	<u>445,371</u>
Increase (Decrease) in Net Position	(47,686)	273	(33,191)
Net Position, January 1,	<u>580,550</u>	<u>580,277</u>	<u>613,468</u>
Net Position, December 31,	<u>\$532,864</u>	<u>\$580,550</u>	<u>\$580,277</u>

Program receipts represent only 9 and 8 percent, in 2014 and 2013, respectively, of total receipts and are primarily comprised of patron fines and fees.

General receipts represent 91 and 92 percent, in 2014 and 2013, respectively, of the Library's total receipts, and of the total general receipts amount 93 and 96 percent, in 2014 and 2013, respectively, are Public Library Fund monies.

Governmental Activities

If you look at the Statement of Activities on pages 10 and 16, you will see that the first column lists the major services provided by the Library. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for Library Services, which account for 93 and 95 percent of all governmental disbursements, respectively for 2014 and 2013.

St. Clairsville Public Library
Management's Discussion and Analysis
For the Years Ended December 31, 2014 and 2013
Unaudited

The next two or three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and contributions received by the Library that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

	Governmental Activities					
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2014	2014	2013	2013	2012	2012
Library Services	\$471,315	\$427,734	\$420,819	\$387,326	\$397,986	\$382,266
Capital Outlay	35,757	35,757	22,329	22,329	47,385	47,385
Total Expenses	\$507,072	\$463,491	\$443,148	\$409,655	\$445,371	\$429,651

The dependence upon Public Library funds is apparent as 91 and 92 percent, in 2014 and 2013, respectively, of governmental activities are supported through these general receipts.

The Library's Funds

The General Fund had a net change in fund balance of (\$41,968) and \$4,923 in 2014 and 2013, respectively.

The Marcy Lewis Memorial Fund had a net change in fund balance of \$315 and \$165, in 2014 and 2013, respectively.

The Capital Projects Fund had a net change in fund balance of (\$2,850) and (\$4,682) in 2014 and 2013, respectively.

Prior to 2008, building improvements were paid primarily from the General Fund. During 2008, at which time the public library funds were drastically reduced, the Library began using the Capital Fund for building improvements. With the uncertainty of future budget cuts, the General Fund was used only for the normal daily operations of the Library.

General Fund Budgeting Highlights

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

During 2014 and 2013, the Library budgeted conservatively based on Ohio Library Council's recommendations.

The Library budgets conservatively for the Public Library funds due to the uncertainty of future cuts from that funding source. The total expenditure variances are a result of conservative spending measures on behalf of the Library's management as a result of the uncertainty of the Public Library Fund funding levels in future periods.

St. Clairsville Public Library
Management's Discussion and Analysis
For the Years Ended December 31, 2014 and 2013
Unaudited

Capital Assets and Debt Administration

Capital Assets

The Library does not currently keep track of its capital assets and infrastructure.

Debt

At December 31, 2014 and 2013, the Library had no outstanding debt.

Current Issues

The challenge for all Libraries is to provide quality services to the public while staying within the restrictions imposed by limited and shrinking funding. The Library depends on the Public Library Fund to stay in operation. The past few years saw many changes in the budget as cuts were made and challenged the Library to reduce its budget. With Ohio's uncertain and decreasing tax revenues, Libraries are continuously feeling the effects of the decrease in revenue which directly effects the funding of the Public Library Fund.

Contacting the Library's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Library's finances and to reflect the Library's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Lori McKeen, Fiscal Officer, St. Clairsville Public Library, 108 West Main Street, St. Clairsville, Ohio 43950.

St. Clairsville Public Library
Statement of Net Position - Cash Basis
December 31, 2014

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$532,864</u>
<i>Total Assets</i>	<u><u>\$532,864</u></u>
Net Position	
Restricted for:	
Capital Projects	\$90,750
Other Purposes	168,444
Unrestricted	<u>273,670</u>
<i>Total Net Position</i>	<u><u>\$532,864</u></u>

See accompanying notes to the basic financial statements

St. Clairsville Public Library
Statement of Activities - Cash Basis
For the Year Ended December 31, 2014

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services	Contributions	Capital Contributions	Governmental Activities
Governmental Activities					
Current:					
Library Services:	\$471,315	\$12,537	\$11,024	\$20,020	(\$427,734)
Capital Outlay	35,757	0	0	0	(35,757)
<i>Total Governmental Activities</i>	<u>\$507,072</u>	<u>\$12,537</u>	<u>\$11,024</u>	<u>\$20,020</u>	<u>(463,491)</u>
		General Receipts:			
					5,782
					386,402
					1,024
					22,597
					<i>Total General Receipts</i> 415,805
					(47,686)
					<i>Net Position Beginning of Year</i> 580,550
					<i>Net Position End of Year</i> \$532,864

See accompanying notes to the basic financial statements

St. Clairsville Public Library
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2014

	General	Marcyl Lewis Memorial Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$273,670	\$166,199	\$90,750	\$2,245	\$532,864
<i>Total Assets</i>	<u>\$273,670</u>	<u>\$166,199</u>	<u>\$90,750</u>	<u>\$2,245</u>	<u>\$532,864</u>
Fund Balances					
Restricted	\$0	\$166,199	\$90,750	\$2,245	\$259,194
Unassigned	273,670	0	0	0	273,670
<i>Total Fund Balances</i>	<u>\$273,670</u>	<u>\$166,199</u>	<u>\$90,750</u>	<u>\$2,245</u>	<u>\$532,864</u>

See accompanying notes to the basic financial statements

St. Clairsville Public Library
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2014

	General	Marcyl Lewis Memorial Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Receipts					
Public Library	\$386,402	\$0	\$0	\$0	\$386,402
Patron Fines and Fees	12,517	0	0	0	12,517
Contributions, Gifts and Donations	15,670	0	20,000	1,156	36,826
Earnings on Investments	560	315	150	0	1,025
Miscellaneous	22,617	0	0	0	22,617
<i>Total Receipts</i>	<u>437,766</u>	<u>315</u>	<u>20,150</u>	<u>1,156</u>	<u>459,387</u>
Disbursements					
Current:					
Library Services:	467,521	0	0	3,795	471,316
Capital Outlay	12,213	0	23,000	544	35,757
<i>Total Disbursements</i>	<u>479,734</u>	<u>0</u>	<u>23,000</u>	<u>4,339</u>	<u>507,073</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(41,968)</u>	<u>315</u>	<u>(2,850)</u>	<u>(3,183)</u>	<u>(47,686)</u>
<i>Fund Balances Beginning of Year</i>	<u>315,638</u>	<u>165,884</u>	<u>93,600</u>	<u>5,428</u>	<u>580,550</u>
<i>Fund Balances End of Year</i>	<u>\$273,670</u>	<u>\$166,199</u>	<u>\$90,750</u>	<u>\$2,245</u>	<u>\$532,864</u>

See accompanying notes to the basic financial statements

St. Clairsville Public Library
*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Public Library	\$343,807	\$360,149	\$386,402	\$26,253
Patron Fines and Fees	0	0	12,517	12,517
Contributions, Gifts and Donations	0	0	15,670	15,670
Earnings on Investments	0	0	560	560
Miscellaneous	0	0	22,617	22,617
<i>Total Receipts</i>	<u>343,807</u>	<u>360,149</u>	<u>437,766</u>	<u>77,617</u>
Disbursements				
Current:				
Library Services:	463,355	471,507	467,521	3,986
Capital Outlay	5,000	12,240	12,213	27
<i>Total Disbursements</i>	<u>468,355</u>	<u>483,747</u>	<u>479,734</u>	<u>4,013</u>
<i>Excess of Receipts (Under) Disbursements</i>	<u>(124,548)</u>	<u>(123,598)</u>	<u>(41,968)</u>	<u>81,630</u>
Other Financing (Uses)				
Other Financing Uses	(300)	0	0	0
<i>Total Other Financing (Uses)</i>	<u>(300)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(124,848)</u>	<u>(123,598)</u>	<u>(41,968)</u>	<u>81,630</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>315,638</u>	<u>315,638</u>	<u>315,638</u>	<u>0</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$190,790</u>	<u>\$192,040</u>	<u>\$273,670</u>	<u>\$81,630</u>

See accompanying notes to the basic financial statements

St. Clairsville Public Library
*Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual - Budget Basis
 Marcy Lewis Memorial Fund
 For the Year Ended December 31, 2014*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Earnings on Investments	\$0	\$0	\$315	\$315
<i>Total Receipts</i>	<u>0</u>	<u>0</u>	<u>315</u>	<u>315</u>
Disbursements				
Capital Outlay	165,778	165,778	0	165,778
<i>Total Disbursements</i>	<u>165,778</u>	<u>165,778</u>	<u>0</u>	<u>165,778</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(165,778)</u>	<u>(165,778)</u>	<u>315</u>	<u>166,093</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>165,884</u>	<u>165,884</u>	<u>165,884</u>	<u>0</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$106</u>	<u>\$106</u>	<u>\$166,199</u>	<u>\$166,093</u>

See accompanying notes to the basic financial statements

St. Clairsville Public Library
Statement of Net Position - Cash Basis
December 31, 2013

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$580,550</u>
<i>Total Assets</i>	<u><u>\$580,550</u></u>
Net Position	
Restricted for:	
Capital Projects	\$93,600
Other Purposes	171,312
Unrestricted	<u>315,638</u>
<i>Total Net Position</i>	<u><u>\$580,550</u></u>

See accompanying notes to the basic financial statements

St. Clairsville Public Library
Statement of Activities - Cash Basis
For the Year Ended December 31, 2013

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services	Contributions	Capital Contributions	
Governmental Activities					
Current:					
Library Services:	\$420,819	\$11,636	\$21,857	\$0	(\$387,326)
Capital Outlay	22,329	0	0	0	(22,329)
<i>Total Governmental Activities</i>	<u>\$443,148</u>	<u>\$11,636</u>	<u>\$21,857</u>	<u>\$0</u>	<u>(409,655)</u>
		General Receipts:			
					2,996
					393,992
					664
					12,276
					<u>409,928</u>
					273
					<u>580,277</u>
					<u>\$580,550</u>

See accompanying notes to the basic financial statements

St. Clairsville Public Library
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2013

	General	Marcyl Lewis Memorial Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$315,638	\$165,884	\$93,600	\$5,428	\$580,550
<i>Total Assets</i>	<u>\$315,638</u>	<u>\$165,884</u>	<u>\$93,600</u>	<u>\$5,428</u>	<u>\$580,550</u>
Fund Balances					
Restricted	\$0	\$165,884	\$93,600	\$5,428	\$264,912
Unassigned	315,638	0	0	0	315,638
<i>Total Fund Balances</i>	<u>\$315,638</u>	<u>\$165,884</u>	<u>\$93,600</u>	<u>\$5,428</u>	<u>\$580,550</u>

See accompanying notes to the basic financial statements

St. Clairsville Public Library
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2013

	General	Marcyl Lewis Memorial Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Receipts					
Public Library	\$393,992	\$0	\$0	\$0	\$393,992
Patron Fines and Fees	11,637	0	0	0	11,637
Contributions, Gifts and Donations	22,717	0	0	2,136	24,853
Earnings on Investments	405	165	93	0	663
Miscellaneous	12,276	0	0	0	12,276
<i>Total Receipts</i>	<u>441,027</u>	<u>165</u>	<u>93</u>	<u>2,136</u>	<u>443,421</u>
Disbursements					
Current:					
Library Services:	418,549	0	0	2,269	420,818
Capital Outlay	17,555	0	4,775	0	22,330
<i>Total Disbursements</i>	<u>436,104</u>	<u>0</u>	<u>4,775</u>	<u>2,269</u>	<u>443,148</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>4,923</u>	<u>165</u>	<u>(4,682)</u>	<u>(133)</u>	<u>273</u>
<i>Fund Balances Beginning of Year</i>	<u>310,715</u>	<u>165,719</u>	<u>98,282</u>	<u>5,561</u>	<u>580,277</u>
<i>Fund Balances End of Year</i>	<u>\$315,638</u>	<u>\$165,884</u>	<u>\$93,600</u>	<u>\$5,428</u>	<u>\$580,550</u>

See accompanying notes to the basic financial statements

St. Clairsville Public Library
*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2013*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Public Library	\$391,877	\$399,790	\$393,992	(\$5,798)
Patron Fines and Fees	0	0	11,637	11,637
Contributions, Gifts and Donations	0	0	22,717	22,717
Earnings on Investments	0	0	405	405
Miscellaneous	0	0	12,276	12,276
<i>Total Receipts</i>	<u>391,877</u>	<u>399,790</u>	<u>441,027</u>	<u>41,237</u>
Disbursements				
Current:				
Library Services:	446,407	458,107	418,549	39,558
Capital Outlay	28,000	19,800	17,555	2,245
<i>Total Disbursements</i>	<u>474,407</u>	<u>477,907</u>	<u>436,104</u>	<u>41,803</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(82,530)</u>	<u>(78,117)</u>	<u>4,923</u>	<u>83,040</u>
Other Financing (Uses)				
Other Financing Uses	(3,582)	(82)	0	82
<i>Total Other Financing (Uses)</i>	<u>(3,582)</u>	<u>(82)</u>	<u>0</u>	<u>82</u>
<i>Net Change in Fund Balance</i>	<u>(86,112)</u>	<u>(78,199)</u>	<u>4,923</u>	<u>83,122</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>310,715</u>	<u>310,715</u>	<u>310,715</u>	<u>0</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$224,603</u>	<u>\$232,516</u>	<u>\$315,638</u>	<u>\$83,122</u>

See accompanying notes to the basic financial statements

St. Clairsville Public Library
*Statement of Receipts, Disbursements and Changes
 In Fund Balance - Budget and Actual - Budget Basis
 Marcy Lewis Memorial Fund
 For the Year Ended December 31, 2013*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Receipts				
Earnings on Investments	\$844	\$844	\$165	(\$679)
<i>Total Receipts</i>	<u>844</u>	<u>844</u>	<u>165</u>	<u>(679)</u>
Disbursements				
Capital Outlay	165,705	165,705		165,705
<i>Total Disbursements</i>	<u>165,705</u>	<u>165,705</u>	<u>0</u>	<u>165,705</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(164,861)</u>	<u>(164,861)</u>	<u>165</u>	<u>165,026</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>165,719</u>	<u>165,719</u>	<u>165,719</u>	<u>0</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$858</u>	<u>\$858</u>	<u>\$165,884</u>	<u>\$165,026</u>

See accompanying notes to the basic financial statements

St. Clairsville Public Library
Notes to the Basic Financial Statements
For the Years Ended December 31, 2014 and 2013

Note 1 – Description of the Library and Reporting Entity

The St. Clairsville Public Library (the Library) was organized as a school district public library in 1938 in St. Clairsville, Ohio under the laws of the State of Ohio. The Library has its own Board of Trustees of seven members who are appointed by the St. Clairsville - Richland City School District Board of Education. Appointments are for seven-year terms and members serve without compensation. Under Ohio statutes, the Library is a body politic and corporate capable of suing and being sued, contracting, acquiring, holding, possessing, and disposing of real property, and of exercising such other powers and privileges conferred upon it by law. The Library also determines and operates under its own budget. Control and management of the Library is governed by Sections 3375.33 to 3375.39 of the Ohio Revised Code with the administration of the day-to-day operations of the Library being the responsibility of the Director and financial accountability being solely that of the Fiscal Officer.

The Library is fiscally independent of the St. Clairsville - Richland City School District Board of Education, although the Board of Education serves in a ministerial capacity as the taxing authority for the Library. The determination to request approval of a tax levy, the role and purpose(s) of the levy, are discretionary decisions made solely by the Board of Library Trustees. Once those decisions are made, the Board of Education must put the levy on the ballot. There is no potential for the Library to provide a financial benefit to or impose a financial burden on the St. Clairsville - Richland City School District Board of Education.

Under the provisions of Statement No. 61 of the Governmental Accounting Standards Board, "The Financial Reporting Entity: Omnibus – An Amendment of GASB Statements No. 14 and No. 34," the Library is considered to be a related organization of the St. Clairsville - Richland City School District.

Component units are legally separate organizations for which the Library is financially accountable. The Library is financially accountable for an organization if the Library appoints a voting majority of the organization's governing board and (1) the Library is able to significantly influence the programs or services performed or provided by the organization; or (2) the Library is legally entitled to or can otherwise access the organization's resources; the Library is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Library is obligated for the debt of the organization. The Library is also financially accountable for any organizations for which the Library approves the budget, the issuance of debt or the levying of taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Library, are accessible to the Library and are significant in amount to the Library. The Library has no component units.

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

Note 2 – Summary of Significant Accounting Policies

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

St. Clairsville Public Library
Notes to the Basic Financial Statements
For the Years Ended December 31, 2014 and 2013

Note 2 – Summary of Significant Accounting Policies (Continued)

A. Basis of Presentation

The Library's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Library as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through intergovernmental receipts, patron fines and fees and other nonexchange transactions.

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

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Funds

Governmental funds are financed primarily from intergovernmental receipts (e.g. grants), and other nonexchange transactions. Monies are assigned to the various governmental funds according to the purposes for which they may or must be used. The following are the Library's major governmental funds:

General Fund - The General Fund accounts for all financial resources except those required to be accounted for 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.

Marcy Lewis Memorial Fund - This fund accounts for interest earnings and donations received in memory of a deceased individual. The interest earnings and donations are to allow the Library to expand/improve the Library.

St. Clairsville Public Library
Notes to the Basic Financial Statements
For the Years Ended December 31, 2014 and 2013

Note 2 – Summary of Significant Accounting Policies (Continued)

B. Fund Accounting (Continued)

Capital Projects Fund - This fund accounts for interest earnings and donation receipts restricted to acquiring or constructing major capital projects. (except those accounted for in the Marcy Lewis Memorial Fund).

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

C. Basis of Accounting

The Library's basic financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Library's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Library are described in the appropriate section in this note.

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

D. Budgetary Process

All funds are legally required to be appropriated. The appropriations resolution is the Trustee's authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the Trustees. The legal level of control has been established at the fund, function level for all funds. Budgetary modifications at the legal level of control may only be made by resolution of the Board of Library Trustees.

For control purposes, the Library estimates cash receipts for the year. These estimated receipts, together with the unencumbered carry-over balances from the prior year, set a limit on the amount the Trustees may appropriate. The estimated receipts may be revised during the year if projected increases or decreases in receipts are identified by the Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts of estimated resources at the time final appropriations were enacted by the Trustees.

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

E. Cash and Cash Equivalents

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

St. Clairsville Public Library
Notes to the Basic Financial Statements
For the Years Ended December 31, 2014 and 2013

Note 2 – Summary of Significant Accounting Policies (Continued)

E. Cash and Cash Equivalents (Continued)

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

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

During 2014 and 2013, investments were limited to STAR Ohio and STAR Ohio Plus.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2014 and 2013. STAR Ohio investments may be invested in the STAR Ohio Plus Account with the initial investment being a minimum of \$500,000. They may be withdrawn and deposited into STAR Ohio at any given time with a notice of one week.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest receipt credited to the General Fund during 2014 and 2013 amounted to \$560 and \$405, respectively.

F. Restricted Assets

Cash, cash equivalents, and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets represent monies restricted for Library renovations or expansion projects. Restricted assets totaled \$259,194 and \$264,912 at December 31, 2014 and 2013, respectively.

G. Fund Balance

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

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

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

St. Clairsville Public Library
Notes to the Basic Financial Statements
For the Years Ended December 31, 2014 and 2013

Note 2 – Summary of Significant Accounting Policies (Continued)

G. Fund Balance (Continued)

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the Library for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Library Trustees or a Library official delegated that authority by resolution, or by State Statute.

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

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

H. Accumulated Leave

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

I. Employer Contributions to Cost-Sharing Pension Plans

The Library recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Note 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

J. Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources associated with the memorial fund. The Statement of Net Position reports \$259,194 and \$264,912 of restricted net position for the years ended December 31, 2014 and 2013, respectively, of which no monies are restricted by enabling legislation.

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

St. Clairsville Public Library
Notes to the Basic Financial Statements
For the Years Ended December 31, 2014 and 2013

Note 2 – Summary of Significant Accounting Policies (Continued)

K. Interfund Transactions

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

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the General Fund and Marcy Lewis Memorial Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as restricted, committed, or assigned fund balance (cash basis). There were no outstanding encumbrances at year end (budgetary basis).

Note 4 – Deposits and Investments

Monies held by the Library are classified by State statute into three categories.

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

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

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

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

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

St. Clairsville Public Library
Notes to the Basic Financial Statements
For the Years Ended December 31, 2014 and 2013

Note 4 – Deposits and Investments (Continued)

3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

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

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the Library will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31 2014 and 2013, none of the Library's bank balance was exposed to custodial credit risk.

The Library has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Library or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

At December 31, 2014 and 2013, the Library had \$30 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

Investments

As of December 31, 2014 and 2013, respectively, the Library had an investment in Star Plus with a fair value of \$489,606 and \$541,582.

Interest rate risk - The Library's investment policy addresses interest rate risk to the extent that it allows the fiscal officer to invest funds to a maximum maturity of five years, and allows for the withdrawal of funds from approved public depositories or sale of negotiable instruments prior to maturity. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Library, and that an investment must be purchased with the expectation that it will be held to maturity.

STAR Ohio carries a rating of AAAM by Standard and Poor's. The Library has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service.

St. Clairsville Public Library
Notes to the Basic Financial Statements
For the Years Ended December 31, 2014 and 2013

Note 5 – Grants-In-Aid

The primary source of revenue for Ohio public libraries is the Public Library Fund (PLF). The PLF funding is based on a percentage of total tax revenue of the State of Ohio. The State allocates PLF to each county based on the county's prior intangibles tax of PLF 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 any additional revenues the Library receives.

Note 6 – Risk Management

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2014, the Library contracted with Steele Insurance Associates, Inc. for various types of insurance coverage as follows:

Commercial Property Coverage	\$2,961,204
Commercial General Liability Coverage	2,000,000
Commercial Crime Coverage	2,000,000
Commercial Auto Coverage	2,000,000

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

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. The System administers and pays all claims.

The Library contracts with Coventry Health and Life Insurance for employees' health insurance. The Library and employees share in the cost of the monthly premiums paid.

Note 7 – Defined Benefit Pension Plan

Plan Description - The Library participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the Traditional Pension Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the years ended December 31, 2014 and 2013, members in state and local classifications contributed 10 percent of covered payroll.

St. Clairsville Public Library
Notes to the Basic Financial Statements
For the Years Ended December 31, 2014 and 2013

Note 7 – Defined Benefit Pension Plan (Continued)

The Library's contribution rate for 2014 and 2013 was 14 percent of covered payroll. A portion of the Library's contribution was allocated to fund the post-employment healthcare plan. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the Library of 14 percent.

The Library's required contributions for pension obligations to OPERS for the year ended December 31, 2014 and 2013 were \$36,710 and \$35,246, respectively with the full amounts being contributed for 2014 and 2013.

Note 8 – Post-employment Benefits

Ohio Public Employees Retirement System

Plan Description - OPERS maintains a cost-sharing multiple-employer defined benefit postemployment healthcare plan for qualifying members of both the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including postemployment healthcare. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for postemployment healthcare coverage, age and service retirees under the Traditional Pension and Combined Plans must have ten years or more of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide healthcare benefits to eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The post-employment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). State statute requires that public employers fund post-employment healthcare through contributions to OPERS. A portion of each employer's contribution to the Traditional Pension or Combined Plans is set aside for the funding of post-employment healthcare.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2014 and 2013, local government employers contributed 14 percent of covered payroll. Each year, the OPERS Retirement Board determines the portion of the employer contribution that will be set aside for funding post-employment healthcare benefits.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the healthcare benefits by the retiree or retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and selected coverage. Active members do not make contributions to the post-employment health care plan.

Note 9 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Library is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below as of December 31, 2014:

St. Clairsville Public Library
Notes to the Basic Financial Statements
For the Years Ended December 31, 2014 and 2013

Note 9 – Fund Balances (Continued)

Fund Balances	General	Marcyl Lewis Memorial Fund	Capital Projects	Other Governmental Funds	Total
Restricted for					
Capital Improvements			\$90,750		\$90,750
Other purposes		\$166,199		\$2,245	168,444
<i>Total Restricted</i>	0	166,199	90,750	2,245	259,194
Unassigned	\$273,670				273,670
<i>Total Fund Balances</i>	\$273,670	\$166,199	\$90,750	\$2,245	\$532,864

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below as of December 31, 2013:

Fund Balances	General	Marcyl Lewis Memorial Fund	Capital Projects	Other Governmental Funds	Total
Restricted for					
Capital Improvements			\$93,600		\$93,600
Other purposes		\$165,884		\$5,428	171,312
<i>Total Restricted</i>	0	165,884	93,600	5,428	264,912
Unassigned	\$315,638				315,638
<i>Total Fund Balances</i>	\$315,638	\$165,884	\$93,600	\$5,428	\$580,550



Dave Yost • Auditor of State

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

St. Clairsville Public Library
Belmont County
108 West Main Street
St. Clairsville, Ohio 43950

To the Board of Trustees:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Clairsville Public Library, Belmont County, Ohio (the Library), as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements and have issued our report thereon dated July 31, 2015, wherein we noted the Library uses a special purpose framework other than generally accepted accounting principles.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Library's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Library's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying Schedule of Findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Library's financial statements. 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. We consider Finding 2014-001 described in the accompanying Schedule of Findings to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Library's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Library's Response to Finding

The Library's response to the finding identified in our audit is described in the accompanying Schedule of Findings. We did not audit the Library's response and, accordingly, we express no opinion on it.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Library's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Library's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

July 31, 2015

**ST. CLAIRSVILLE PUBLIC LIBRARY
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2014 AND 2013**

**FINDING RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2014-001

Material Weakness

The Library should have internal controls in place to reasonably assure that budgetary accounts are integrated into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts.

The Fiscal Officer did not properly post budgeted receipts, and any amendments made to them, to the accounting system. Variances existed between the certificate of estimated resources and the amounts posted to the accounting system as noted below:

12/31/2014 <u>Fund</u>	Budgeted Receipts per <u>Amended Certificates</u>	Budgeted Receipts per <u>Accounting System</u>	<u>Variance</u>
General	\$360,149	\$441,402	(\$81,253)
Marcyl Lewis Memorial	0	200	(200)
12/31/2013 <u>Fund</u>	Budgeted Receipts per <u>Amended Certificates</u>	Budgeted Receipts per <u>Accounting System</u>	<u>Variance</u>
General	\$399,790	\$421,129	(\$21,339)
Marcyl Lewis Memorial	844	100	744

Because the information entered into the accounting system was inaccurate, the Library management was unable to effectively monitor budgetary activity throughout the year. Adjustments were made to the budgetary financial statements in order to accurately present budgeted receipts as certified by the County Budget Commission.

The Fiscal Officer should only record estimated receipts per the Official Certificate of Estimated Resources. The Fiscal Officer should periodically present budget vs. actual results to the Trustees. As part of their monitoring responsibilities, the Trustees should review this information and should inquire to the Fiscal Officer if they note apparent errors in the budget or actual data and should also use the information to determine if they should amend estimated receipts.

Officials' Response: The St. Clairsville Public Library did not budget for other sources of income during 2014 but had a General Fund Carryover balance that had been certified and was used when posting budget amounts for reporting purposes.

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Dave Yost • Auditor of State

ST. CLAIRSVILLE PUBLIC LIBRARY

BELMONT 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
AUGUST 18, 2015**