



**BARNESVILLE HUTTON MEMORIAL LIBRARY
BELMONT COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



**JIM PETRO
AUDITOR OF STATE**

STATE OF OHIO

**BARNESVILLE HUTTON MEMORIAL LIBRARY
BELMONT COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Barnesville Hutton Memorial Library
Belmont County
308 East Main Street
Barnesville, Ohio 43713

To the Board of Trustees:

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

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

As 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 Barnesville Hutton Memorial Library, Belmont County, as of December 31, 2000 and 1999, 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 13, 2001 on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This 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, the Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

March 13, 2001

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**BARNESVILLE HUTTON MEMORIAL LIBRARY
BELMONT COUNTY**

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

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:					
Property and Other Local Taxes	\$440,886	\$108,000	\$	\$	\$548,886
Patron Fines and Fees	16,810				16,810
Earnings on Investments	6,241				6,241
Contributions, Gifts and Donations	13,158			11,437	24,595
Miscellaneous Receipts	570				570
Total Cash Receipts	<u>477,665</u>	<u>108,000</u>	<u>0</u>	<u>11,437</u>	<u>597,102</u>
Cash Disbursements:					
Current:					
Salaries and Benefits	259,322				259,322
Supplies	20,644				20,644
Purchased and Contracted Services	62,028				62,028
Library Materials and Information	88,265			10,580	98,845
Other Objects	1,432				1,432
Debt Service:					
Redemption of Principal		105,916			105,916
Interest Payments and Other Financing Fees and Costs		12,084			12,084
Capital Outlay	7,982		13,058		21,040
Total Cash Disbursements	<u>439,673</u>	<u>118,000</u>	<u>13,058</u>	<u>10,580</u>	<u>581,311</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>37,992</u>	<u>(10,000)</u>	<u>(13,058)</u>	<u>857</u>	<u>15,791</u>
Other Financing Receipts/(Disbursements):					
Transfers-In		35,000	10,000		45,000
Transfers-Out	(45,000)				(45,000)
Total Other Financing Receipts/(Disbursements)	<u>(45,000)</u>	<u>35,000</u>	<u>10,000</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(7,008)</u>	<u>25,000</u>	<u>(3,058)</u>	<u>857</u>	<u>15,791</u>
Fund Cash Balances, January 1	<u>68,072</u>		<u>34,585</u>	<u>14,634</u>	<u>117,291</u>
Fund Cash Balances, December 31	<u>\$61,064</u>	<u>\$25,000</u>	<u>\$31,527</u>	<u>\$15,491</u>	<u>\$133,082</u>
Reserves for Encumbrances, December 31	<u>\$20,679</u>	<u>\$0</u>	<u>\$5,320</u>	<u>\$1,728</u>	<u>\$27,727</u>

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

**BARNESVILLE HUTTON MEMORIAL LIBRARY
BELMONT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Debt Service	Capital Projects	Expendable Trust	
Cash Receipts:					
Property and Other Local Taxes	\$415,739	\$94,000	\$	\$	\$509,739
Patron Fines and Fees	14,926				14,926
Earnings on Investments	4,944				4,944
Contributions, Gifts and Donations	4,331		10	9,966	14,307
Miscellaneous Receipts	1,241				1,241
Total Cash Receipts	441,181	94,000	10	9,966	545,157
Cash Disbursements:					
Current:					
Salaries and Benefits	237,203				237,203
Supplies	17,143				17,143
Purchased and Contracted Services	59,952				59,952
Library Materials and Information	79,680			9,100	88,780
Other Objects	1,757				1,757
Debt Service:					
Redemption of Principal		96,914			96,914
Interest Payments and Other Financing Fees and Costs	848	17,086			17,934
Capital Outlay	9,262		1,859		11,121
Total Cash Disbursements	405,845	114,000	1,859	9,100	530,804
Total Cash Receipts Over/(Under) Cash Disbursements	35,336	(20,000)	(1,849)	866	14,353
Other Financing Receipts/(Disbursements):					
Transfers-In			36,237		36,237
Transfers-Out	(30,000)		(6,237)		(36,237)
Total Other Financing Receipts/(Disbursements)	(30,000)	0	30,000	0	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	5,336	(20,000)	28,151	866	14,353
Fund Cash Balances, January 1	62,736	20,000	6,434	13,768	102,938
Fund Cash Balances, December 31	\$68,072	\$0	\$34,585	\$14,634	\$117,291
Reserves for Encumbrances, December 31	\$28,662	\$0	\$75	\$2,602	\$31,339

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

**BARNESVILLE HUTTON MEMORIAL LIBRARY
BELMONT COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Barnesville Hutton Memorial Library, Belmont 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 the State of Ohio. The Library is directed by a seven-member Board of Trustees appointed by the Board members of the Barnesville Exempted Village School District. The Library provides the community with various educational and literary resources. The Library is involved with the SOLO Regional Library which is defined as a jointly governed organization. Additional information concerning the jointly governed organization is presented in Note 8.

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. Fund Accounting

The Library uses fund accounting to segregate cash that is 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. Debt Service Funds

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness. The Library had the following significant Debt Service Fund:

Note Retirement Fund - This fund receives state tax money to pay outstanding debt that was issued for renovations. This debt was issued by the Village of Barnesville on behalf of the Library.

3. Capital Project 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 Project Funds:

**BARNESVILLE HUTTON MEMORIAL LIBRARY
BELMONT COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

3. Capital Project Funds (Continued)

Building Fund - This fund receives proceeds of notes. The proceeds are being used for a Library Renovation and Expansion Project.

Equipment Fund - This fund receives donations and General Fund transfers to make equipment purchases.

4. 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 Expendable Trust Fund:

Hutton Fund - This fund receives proceeds from the Hutton family estate to be used for the benefit of the Library's patrons.

D. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

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

3. Encumbrances

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

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

**BARNESVILLE HUTTON MEMORIAL LIBRARY
BELMONT COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. 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.

F. Unpaid Vacation and Sick Leave

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

2. EQUITY IN POOLED CASH

The Library maintains a cash 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:

	<u>2000</u>	<u>1999</u>
Demand deposits	<u>\$133,082</u>	<u>\$117,291</u>

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

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$519,623	\$477,665	(\$41,958)
Debt Service	118,000	143,000	25,000
Capital Projects	500	10,000	9,500
Fiduciary	1,000	11,437	10,437
Total	<u>\$639,123</u>	<u>\$642,102</u>	<u>\$2,979</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$559,033	\$505,352	\$53,681
Debt Service	118,000	118,000	0
Capital Projects	35,010	18,378	16,632
Fiduciary	13,032	12,308	724
Total	<u>\$725,075</u>	<u>\$654,038</u>	<u>\$71,037</u>

**BARNESVILLE HUTTON MEMORIAL LIBRARY
BELMONT COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$485,180	\$441,181	(\$43,999)
Debt Service	94,000	94,000	0
Capital Projects	6,237	36,247	30,010
Fiduciary	1,000	9,966	8,966
Total	<u>\$586,417</u>	<u>\$581,394</u>	<u>(\$5,023)</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$529,329	\$464,507	\$64,822
Debt Service	114,000	114,000	0
Capital Projects	12,671	8,171	4,500
Fiduciary	11,868	11,702	166
Total	<u>\$667,868</u>	<u>\$598,380</u>	<u>\$69,488</u>

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 on account of any additional revenues realized by the Library.

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.

**BARNESVILLE HUTTON MEMORIAL LIBRARY
BELMONT COUNTY**

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

5. DEBT

On September 14, 1994, the Library entered into an open-end mortgage and security agreement with the Village of Barnesville. The Village of Barnesville agreed to loan the Library an amount up to \$600,000 for library expansion, and the Library agreed to grant the mortgage as security for the payment of its obligation under the agreement.

As of December 31, 2000, \$131,012 remains outstanding. The Library submits payments throughout the year to the Village of Barnesville prior to the due date of the annual principal and interest payments.

6. RETIREMENT SYSTEM

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Library contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. For the period July 1, 2000 through December 31, 2000, PERS temporarily reduced the employer's contribution rate to 8.13% of participants' gross salaries. The Library has paid all contributions required through December 31, 2000.

7. RISK MANAGEMENT

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Errors and omissions

8. JOINTLY GOVERNED ORGANIZATION

The SOLO (Southeastern Ohio Library Organization) Regional Library System is a regional library system created and jointly governed according to the provisions of Ohio Rev. Code § 3375.90 through § 3375.93. SOLO is composed of fourteen legally-separate libraries within Southeast Ohio: Barnesville Hutton Memorial Library, Bellaire Public Library, Caldwell Public Library, Guernsey County District Library, Kate Love Simpson Library, Martins Ferry Public Library, Monroe County District Library, Muskingum County Public Library System, Newark Public Library, Perry County District Library, Public Library of Steubenville and Jefferson County, Puskarich Public Library, St. Clairsville Public Library, and Washington County Public Library. SOLO is governed by a fourteen member Board of Trustees selected by the Librarians Council which consists of the library administrators or a representative from each member library. SOLO provides annual training workshops for member library employees, technical training and assistance, a central graphics center, and coordinates the delivery of intra-library book loans. The Barnesville Hutton Memorial Library's control over budgeting and financing of SOLO is limited to its voting authority and its representation on SOLO's Board of Trustees.

**BARNESVILLE HUTTON MEMORIAL LIBRARY
BELMONT COUNTY**

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

9. RELATED PARTY TRANSACTION

The Library pays an annual fee to SOLO Regional Library System, a jointly governed organization, of which the Library is a member. The Library paid \$14,000 to the SOLO Regional Library System during the period January 1, 1999 through December 31, 2000. Fiscal year 2000 dues of \$6,000 were paid on August 19, 1999, and fiscal year 2001 dues of \$8,000 were paid on June 19, 2000.



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

Barnesville Hutton Memorial Library
Belmont County
308 East Main Street
Barnesville, Ohio 43713

To the Board of Trustees:

We have audited the accompanying financial statements of the Barnesville Hutton Memorial Library, Belmont County, Ohio (the Library), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated March 13, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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.

Barnesville Hutton Memorial Library
Belmont County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
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This report is intended for the information and use of the audit committee, management, and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

March 13, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

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BARNESVILLE HUTTON MEMORIAL 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
APRIL 10, 2001**