



**ST. CLAIRSVILLE PUBLIC LIBRARY
BELMONT COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

ST. CLAIRSVILLE PUBLIC LIBRARY
BELMONT COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Board of Trustees:

We have audited the accompanying financial statements of the St. Clairsville Public 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 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 St. Clairsville Public 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 August 24, 2001, on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of 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.

Jim Petro
Auditor of State

August 24, 2001

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**ST. CLAIRSVILLE PUBLIC LIBRARY
BELMONT 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>			Totals (Memorandum Only)
	<u>General</u>	<u>Capital Projects</u>	<u>Fiduciary Funds</u>	
Cash Receipts:				
Government Grants-In-Aid	\$548,886	\$0	\$0	\$548,886
Partons Fines and Fees	9,969			9,969
Earnings on Investments	7,463	11,966	912	20,341
Contributions, Gifts and Donations	1,022	1,025	6,029	8,076
Miscellaneous Revenue	3,379			3,379
Total Cash Receipts	<u>570,719</u>	<u>12,991</u>	<u>6,941</u>	<u>590,651</u>
Cash Disbursements:				
Current:				
Employee Fringe Benefits	316,563			316,563
Supplies	11,403			11,403
Purchased and Contracted Services	72,254	13,339		85,593
Library Materials and Information	84,700		1,202	85,902
Other Objects	5,941			5,941
Capital Outlay	14,603	9,059		23,662
Total Cash Disbursements	<u>505,464</u>	<u>22,398</u>	<u>1,202</u>	<u>529,064</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>65,255</u>	<u>(9,407)</u>	<u>5,739</u>	<u>61,587</u>
Other Financing Receipts/(Disbursements):				
Transfers-In		50,000		50,000
Transfers-Out	(50,000)			(50,000)
Total Other Financing Receipts/(Disbursements)	<u>(50,000)</u>	<u>50,000</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	15,255	40,593	5,739	61,587
Fund Cash Balances, January 1	91,246	201,766	10,836	303,848
Fund Cash Balances, December 31	<u>\$106,501</u>	<u>\$242,359</u>	<u>\$16,575</u>	<u>\$365,435</u>
Reserve for Encumbrances, December 31	<u>\$34,502</u>	<u>\$0</u>	<u>\$0</u>	<u>\$34,502</u>

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

**ST. CLAIRSVILLE PUBLIC LIBRARY
BELMONT 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, 1999**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Capital Projects</u>	<u>Fiduciary Funds</u>	
Cash Receipts:				
Government Grants-In-Aid	\$509,739	\$0	\$0	\$509,739
Patrons Fines and Fees	10,045			10,045
Earnings on Investments	7,380	5,621	443	13,444
Contributions, Gifts and Donations	785		2,041	2,826
Miscellaneous Revenue	3,811			3,811
Total Cash Receipts	<u>531,760</u>	<u>5,621</u>	<u>2,484</u>	<u>539,865</u>
Cash Disbursements:				
Current:				
Employee Fringe Benefits	281,754			281,754
Supplies	11,964			11,964
Purchased and Contracted Services	51,730	21,195		72,925
Library Materials and Information	84,651		2,190	86,841
Other Objects	10,597	499		11,096
Capital Outlay	6,647		115	6,762
Total Cash Disbursements	<u>447,343</u>	<u>21,694</u>	<u>2,305</u>	<u>471,342</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>84,417</u>	<u>(16,073)</u>	<u>179</u>	<u>68,523</u>
Other Financing Receipts/(Disbursements):				
Transfers-In		100,000		100,000
Transfers-Out	(100,000)			(100,000)
Total Other Financing Receipts/(Disbursements)	<u>(100,000)</u>	<u>100,000</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(15,583)	83,927	179	68,523
Fund Cash Balances, January 1	106,829	117,839	10,657	235,325
Fund Cash Balances, December 31	<u>\$91,246</u>	<u>\$201,766</u>	<u>\$10,836</u>	<u>\$303,848</u>
Reserve for Encumbrances, December 31	<u>\$27,013</u>	<u>\$1,000</u>	<u>\$0</u>	<u>\$28,013</u>

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

**ST. CLAIRSVILLE PUBLIC LIBRARY
BELMONT COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

St. Clairsville Public 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 of the St. Clairsville City School District and provides general library services to the residents of the City of St. Clairsville and surrounding communities. 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 7.

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

The investment in StarOhio (the State Treasurer's investment pool) is valued at an amount reported by the State Treasurer.

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 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 Projects Fund:

Building Fund - This fund is used to accumulate resources for a possible building project.

**ST. CLAIRSVILLE PUBLIC LIBRARY
BELMONT COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting

3. Fiduciary Funds (Trust Funds)

These funds are used to account for resources restricted by legally binding trust agreements. The Library had the following significant fiduciary funds:

The Memorial Fund - This fund is used to account for donations received for books or specified furniture in memory of a deceased individual.

The Hunt Fund - This fund accounts for money bequeathed to the Library via will or trust that can be used for improvements to buildings or structures attached to the Library.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, and object 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.

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.

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.

G. 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.

**ST. CLAIRSVILLE PUBLIC LIBRARY
BELMONT COUNTY**

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2000</u>	<u>1999</u>
Demand deposits	\$54,051	\$94,616
StarOhio	<u>311,384</u>	<u>209,232</u>
Total deposits and investments	<u><u>\$365,435</u></u>	<u><u>\$303,848</u></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.

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

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$513,093	\$570,719	\$57,626
Capital Projects	12,000	62,991	50,991
Fiduciary	<u>7,000</u>	<u>6,941</u>	<u>(59)</u>
Total	<u><u>\$532,093</u></u>	<u><u>\$640,651</u></u>	<u><u>\$108,558</u></u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$604,339	\$589,966	\$14,373
Capital Projects	213,766	22,398	191,368
Fiduciary	<u>17,836</u>	<u>1,202</u>	<u>16,634</u>
Total	<u><u>\$835,941</u></u>	<u><u>\$613,566</u></u>	<u><u>\$222,375</u></u>

**ST. CLAIRSVILLE PUBLIC 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	\$484,182	\$531,760	\$47,578
Capital Projects	1,000	105,621	104,621
Fiduciary	1,500	2,484	984
Total	<u>\$486,682</u>	<u>\$639,865</u>	<u>\$153,183</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$593,012	\$574,356	\$18,656
Capital Projects	117,839	22,694	95,145
Fiduciary	12,157	2,305	9,852
Total	<u>\$723,008</u>	<u>\$599,355</u>	<u>\$123,653</u>

4. GRANTS-IN-AID 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.

5. RETIREMENT SYSTEM

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Library contributed an amount equal to 13.55% 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.

**ST. CLAIRSVILLE PUBLIC LIBRARY
BELMONT COUNTY**

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

6. RISK MANAGEMENT

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Errors and omissions

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

7. JOINTLY GOVERNED ORGANIZATION

The Southeastern Ohio Library Organization Regional Library System, (SOLO), 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 St. Clairsville Public Library's control over budgeting and financing of SOLO is limited to its voting authority and its representation on SOLO's Board of Trustees.

8. RELATED PARTY TRANSACTIONS

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 \$8,000 to the SOLO Regional Library System during the period January 1, 2000 through December 31, 2000 and paid \$6,000 during the period of January 1, 1999 through December 31, 1999.

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL
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 the accompanying financial statements of the St. Clairsville Public 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 August 24, 2001. 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*.

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. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Library in a separate letter dated August 24, 2001.

This report is intended for the information and use of management, and 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

August 24, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

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SAINT 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
SEPTEMBER 4, 2001**