



OHIO AUDITOR OF STATE
KEITH FABER



**BARNESVILLE-HUTTON MEMORIAL LIBRARY
BELMONT COUNTY**

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INDEPENDENT AUDITOR'S REPORT

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

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Barnesville-Hutton Memorial Library, Belmont County, Ohio (the Library), which comprises the cash balances, receipts and disbursements for each governmental fund as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinions

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 6, 2025, on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Library's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

August 6, 2025

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**BARNESVILLE-HUTTON MEMORIAL LIBRARY
BELMONT COUNTY**

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

	General	Capital Projects	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$239,391	\$0	\$239,391
Public Library	540,339	0	540,339
Intergovernmental	4,371	0	4,371
Patron Fines and Fees	6,524	0	6,524
Contributions, Gifts and Donations	7,461	0	7,461
Earnings on Investments	103,053	6,962	110,015
Miscellaneous	7,465	0	7,465
<i>Total Cash Receipts</i>	<u>908,604</u>	<u>6,962</u>	<u>915,566</u>
Cash Disbursements			
Current:			
Library Services:			
Public Services and Programs	196,612	0	196,612
Collection Development and Processing	51,843	0	51,843
Support Services:			
Facilities Operation and Maintenance	126,456	0	126,456
Information Services	17,669	0	17,669
Business Administration	111,977	0	111,977
Capital Outlay	3,417	0	3,417
<i>Total Cash Disbursements</i>	<u>507,974</u>	<u>0</u>	<u>507,974</u>
<i>Net Change in Fund Cash Balances</i>	400,630	6,962	407,592
<i>Fund Cash Balances, January 1</i>	<u>1,834,685</u>	<u>132,943</u>	<u>1,967,628</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$2,235,315</u></u>	<u><u>\$139,905</u></u>	<u><u>\$2,375,220</u></u>

See accompanying notes to the basic financial statements

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Barnesville-Hutton Memorial Library, Belmont County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2024

Note 1 – Reporting Entity

The Barnesville Hutton Memorial Library (the Library), was organized as a school district public library in 1924 under the laws of the State of Ohio. The Library has its own seven-member Board of Trustees appointed by the Barnesville Exempted Village School District Board of Education, as established by section 3375.15 of the Ohio Revised Code. 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 §§ 3375.33 to 3375.41 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 Barnesville Exempted Village 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 Barnesville Exempted Village School District Board of Education.

Under the provisions of Statement No. 14 of the Governmental Accounting Standards Board, "The Financial Reporting Entity," the Library is considered to be a related organization of the Barnesville Exempted Village School District.

The Friends of the Barnesville Hutton Memorial Library is a not-for-profit organization with a self-appointing board. The Library is not financially accountable for the organization, nor does the Library approve the budget or the issuance of debt of the organization. The economic resources received or held by an individual organization that the Barnesville Hutton Memorial Library is entitled to, or has the ability to otherwise access, are not significant to the Barnesville Hutton Memorial Library. Therefore, this organization has been excluded from the reporting entity of the Library.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

Barnesville-Hutton Memorial Library, Belmont County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2024

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

Building Fund – This building fund receives an operating transfer from the General Fund and donation monies committed by the Board of Library Trustees specifically for capital and technology improvements.

Basis of Accounting

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

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

Budgetary Process

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

A summary of 2024 budgetary activity appears in Note 3.

Deposits and Investments

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

The Library's investments include donated stock and STAR Ohio. Investments are recorded at cost, except for STAR Ohio. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

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

Accumulated Leave

Library employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

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

Barnesville-Hutton Memorial Library, Belmont County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2024

Nonspendable The Library classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Library and the nonspendable portion of the corpus in permanent funds.

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

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

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 9.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2024 follows:

2024 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$836,798	\$908,604	\$71,806
Capital Projects	190,000	6,962	(183,038)
Total	<u>\$1,026,798</u>	<u>\$915,566</u>	<u>(\$111,232)</u>

2024 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,294,132	\$519,834	\$774,298
Capital Projects	322,943	0	322,943
Total	<u>\$1,617,075</u>	<u>\$519,834</u>	<u>\$1,097,241</u>

Barnesville-Hutton Memorial Library, Belmont County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2024

Note 4 – Deposits and Investments

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

	<u>2024</u>
<i>Cash Management Pool:</i>	
Demand deposits	\$52,935
Other time deposits (savings and NOW accounts)	<u>5,964</u>
Total deposits	<u>58,899</u>
 STAR Ohio	 1,872,595
Petty Cash	100
Common stock (at cost, fair value was \$840,965 at December 31, 2024)	<u>443,626</u>
Total investments	<u>2,316,321</u>
<i>Total carrying amount of deposits and investments held in the Pool (ties to FS)</i>	<u><u>\$2,375,220</u></u>

The Library does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

Investments

The Library received a donation of stock through the Hutton Estate. This stock was recorded on the books at fair value on the date donated. The financial institution maintains records identifying the Library as owner of these securities. The carrying value of the donated common stock as of December 31, 2021, was \$443,626 and the fair value of the donated common stock was \$840,965.

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

Note 5 – Grants in Aid and Taxes

Grants in Aid

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

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the taxing authority of the subdivision to whose jurisdiction the Library is subject adopts rates. The State Department of Taxation, Division of Tax Equalization, adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and

Barnesville-Hutton Memorial Library, Belmont County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2024

rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Other Governments' Grants In Aid. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

Note 6 – Risk Management

Risk Pool Membership

The Government belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management programs and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remain unchanged. OPRM had 801 members as of December 31, 2023.

The Pool's audited financial statements conform with accounting principles generally accepted in the United States of America, with the exception of a qualified opinion related to recording premiums and membership fees earned in full as of December 31, 2023. Those premiums and fees should be earned pro-rata over the individual coverage and membership periods of each policy. The financial statements reported the following assets, liabilities and equity at December 31, 2023.

Assets	\$ 23,113,696
Liabilities	(16,078,587)
Members' Equity	<u>\$ 7,035,109</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Library pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Note 7 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

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

Barnesville-Hutton Memorial Library, Belmont County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2024

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

Note 8 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2024, the portion of employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2024, the portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

Note 9 – Fund Balances

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

<u>Fund Balances</u>	<u>General</u>	<u>Capital Projects</u>	<u>Total</u>
Outstanding Encumbrances	11,860	0	11,860

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

**BARNESVILLE-HUTTON MEMORIAL LIBRARY
BELMONT COUNTY**

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

	General	Capital Projects	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$215,336	\$0	\$215,336
Public Library	570,304	0	570,304
Intergovernmental	4,261	0	4,261
Patron Fines and Fees	7,143	0	7,143
Contributions, Gifts and Donations	7,452	2,550	10,002
Earnings on Investments	43,123	47,021	90,144
Miscellaneous	8,046	0	8,046
<i>Total Cash Receipts</i>	<u>855,665</u>	<u>49,571</u>	<u>905,236</u>
Cash Disbursements			
Current:			
Library Services:			
Public Services and Programs	10,301	0	10,301
Collection Development and Processing	46,932	0	46,932
Support Services:			0
Facilities Operation and Maintenance	73,918	0	73,918
Information Services	25,911	0	25,911
Business Administration	287,565	0	287,565
Capital Outlay	200	141,367	141,567
<i>Total Cash Disbursements</i>	<u>444,827</u>	<u>141,367</u>	<u>586,194</u>
<i>Net Change in Fund Cash Balances</i>	410,838	(91,796)	319,042
<i>Fund Cash Balances, January 1</i>	<u>1,423,847</u>	<u>224,739</u>	<u>1,648,586</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$1,834,685</u></u>	<u><u>\$132,943</u></u>	<u><u>\$1,967,628</u></u>

See accompanying notes to the basic financial statements

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Barnesville-Hutton Memorial Library, Belmont County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2023

Note 1 – Reporting Entity

The Barnesville Hutton Memorial Library (the Library) was organized as a school district public library in 1924 under the laws of the State of Ohio. The Library has its own seven-member Board of Trustees appointed by the Barnesville Exempted Village School District Board of Education, as established by § 3375.15 of the Ohio Revised Code. 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 §§ 3375.33 to 3375.41 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 Barnesville Exempted Village 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 Barnesville Exempted Village School District Board of Education.

Under the provisions of Statement No. 14 of the Governmental Accounting Standards Board, "The Financial Reporting Entity," the Library is considered to be a related organization of the Barnesville Exempted Village School District.

The Friends of the Barnesville Hutton Memorial Library is a not-for-profit organization with a self-appointing board. The Library is not financially accountable for the organization, nor does the Library approve the budget or the issuance of debt of the organization. The economic resources received or held by an individual organization that the Barnesville Hutton Memorial Library is entitled to, or has the ability to otherwise access, are not significant to the Barnesville Hutton Memorial Library. Therefore, this organization has been excluded from the reporting entity of the Library.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

Barnesville-Hutton Memorial Library, Belmont County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2023

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

Building Fund – This building fund receives an operating transfer from the General Fund and donation monies committed by the Board of Library Trustees specifically for capital and technology improvements.

Basis of Accounting

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

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

During 2023, the Library changed the financial reporting framework from modified cash basis financial statements to regulatory cash basis financial statements.

Budgetary Process

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

A summary of 2023 budgetary activity appears in Note 3.

Deposits and Investments

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

The Library's investments include donated stock and STAR Ohio. Investments are recorded at cost, except for STAR Ohio. Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

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

Accumulated Leave

Library employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Barnesville-Hutton Memorial Library, Belmont County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2023

Fund Balance

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

Nonspendable The Library classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Library and the nonspendable portion of the corpus in permanent funds.

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

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

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 9.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$772,467	\$855,665	\$83,198
Capital Projects	330,500	49,571	(280,929)
Total	<u>\$1,102,967</u>	<u>\$905,236</u>	<u>(\$197,731)</u>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,438,714	\$459,180	\$979,534
Capital Projects	422,389	141,367	281,022
Total	<u>\$1,861,103</u>	<u>\$600,547</u>	<u>\$1,260,556</u>

Barnesville-Hutton Memorial Library, Belmont County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 4 – Deposits and Investments

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

	<u>2023</u>
<i>Cash Management Pool:</i>	
Demand deposits	\$83,900
Other time deposits (savings and NOW accounts)	<u>5,973</u>
Total deposits	<u>89,873</u>
 STAR Ohio	 1,434,029
Petty Cash	100
Common stock (at cost, fair value was \$729,842 at December 31, 2023)	<u>443,626</u>
Total investments	<u>1,877,755</u>
<i>Total carrying amount of deposits and investments held in the Pool (ties to FS)</i>	<u><u>\$1,967,628</u></u>

The Library does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation.

Investments

The Library received a donation of stock through the Hutton Estate. This stock was recorded on the books at fair value on the date donated. The financial institution maintains records identifying the Library as owner of these securities. The carrying value of the donated common stock as of December 31, 2021, was \$443,626 and the fair value of the donated common stock was \$729,842.

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

Note 5 – Grants in Aid and Taxes

Grants in Aid

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

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the taxing authority of the subdivision to whose jurisdiction the Library is subject adopts rates. The State Department of Taxation, Division of Tax Equalization, adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and

Barnesville-Hutton Memorial Library, Belmont County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2023

rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Other Governments' Grants In Aid. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

Note 6 – Risk Management

Risk Pool Membership

The Government belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management programs and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remain unchanged. OPRM had 801 members as of December 31, 2023.

The Pool's audited financial statements conform with accounting principles generally accepted in the United States of America, with the exception of a qualified opinion related to recording premiums and membership fees earned in full as of December 31, 2023. Those premiums and fees should be earned pro-rata over the individual coverage and membership periods of each policy. The financial statements reported the following assets, liabilities and equity at December 31, 2023.

Assets	\$ 23,113,696
Liabilities	(16,078,587)
Members' Equity	<u>\$ 7,035,109</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Library pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Barnesville-Hutton Memorial Library, Belmont County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2023

Note 7 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

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

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

Note 8 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2023, the portion of employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

Note 9 – Fund Balances

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

<u>Fund Balances</u>	<u>General</u>	<u>Capital Projects</u>	<u>Total</u>
Outstanding Encumbrances	\$14,353	\$0	\$14,353

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



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type of Barnesville-Hutton Memorial Library, Belmont County, Ohio (the Library), as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements and have issued our report thereon dated August 6, 2025 wherein we noted the Library followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Library's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings as items 2024-001 and 2024-002.

Library's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Library's responses to the findings identified in our audit and described in the accompanying Schedule of Findings. The Library's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

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

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

August 6, 2025

**BARNESVILLE-HUTTON MEMORIAL LIBRARY
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2024 AND 2023**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2024-001

Noncompliance and Material Weakness

Ohio Rev. Code § 5705.09 states that each subdivision shall establish a special fund for each class of revenues derived from a source other than the general property tax, which the law requires to be used for a particular purpose.

The Library established the Hutton Special Revenue Fund. This Fund received donated stock in previous years by the Hutton Family estate to be used for the benefit of the Library's patrons. The Hutton Fund continues to receive dividends each year. We reviewed the attorney documentation regarding the donated stock and noted the stock has no restrictions. Therefore, this funds activity including all receipts, expenditures and fund balances should be presented in the General Fund, not a special revenue fund in 2024.

The adjustments referred to above, in which management agrees, have been posted to the accounting records and are reflected in the accompanying financial statements.

The Library should evaluate each type of revenue source when establishing new funds.

Officials Response: The Library will present the Hutton activity to the General Fund in future years.

FINDING NUMBER 2024-002

Noncompliance

Ohio Rev. Code § 3375.41 states, in part, that when a board of library trustees appointed pursuant to Ohio Rev. Code § 3375.15 determines to construct, demolish, alter, repair or reconstruct a library or make any improvements or repairs, the cost of which will exceed the amount specified in Ohio Rev. Code § 9.17, except in cases of urgent necessity or for the security and protection of library property, the board shall advertise for a period of two weeks for sealed bids in a newspaper of general election. If no newspaper has a general circulation in the district, the board shall post the advertisement in three public places in the district. The advertisement shall be entered in full by the fiscal officer on the record of proceedings of the board. Ohio Rev. Code § 9.17 states that this threshold through calendar year 2024 is seventy-five thousand dollars.

Ohio Rev. Code §§ 4115.04 and 4115.05 require an entity to obtain the prevailing wages in their area for the types of labor required to complete the project, prior to bidding and again when the contract is awarded, if the award is made more than 90 days after the original prevailing wage is determined. They then need to make sure that the contractors who are awarded the contracts agree, in the contract, to pay the prevailing wage.

During 2023, the Library contracted with a company to replace the flooring in the library at a cost of \$134,977. The project was over the competitive bidding threshold of \$75,000 and should have followed the bidding requirements set forth in Ohio Rev. Code § 3375.41. Additionally, the Library did not provide support of obtaining the prevailing wages prior to bidding nor did they provide support that the prevailing wage language was included in the contract.

**BARNESVILLE-HUTTON MEMORIAL LIBRARY
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2024 AND 2023
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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**FINDING NUMBER 2024-002
(Continued)**

Noncompliance and Material Weakness

Failure to competitively bid a contract over the bidding threshold of \$75,000 could result in the Library not receiving the lowest and best contract.

The Library should establish and implement procedures to verify that all contracts above the threshold outlined in Ohio Rev. Code § 9.17 are competitively bid as outlined in Ohio Rev. Code § 3375.41. The Library should also obtain the prevailing wages in their area for the types of labor required to complete the project, prior to bidding and again when the contract is awarded, if the award is made more than 90 days after the original prevailing wage is determined.

Officials Response: The Library was aware of the bidding process; however, on this project we believed the Library to be under the bidding threshold since materials would be and were purchased from the State of Ohio Contract.



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2024 and 2023

Finding Number	Finding Summary	Status	Additional Information
2024-001	Noncompliance and Material Weakness with Ohio Rev. Code § 5705.09 for classifying unrestricted donations in a Special Revenue Fund instead of the General Fund.	Not Corrected	The Library understands the unrestricted donations should be classified to the General Fund and will do so moving forward for the year 2025.
2024-002	Noncompliance and Material Weakness with Ohio Rev. Code § 5705.23 and Ohio Rev. Code § 5705.13(C) for transferring money from the General Fund to a capital projects fund with no future plans for acquisition or construction of a major capital facility.	Fully Corrected	
2024-003	Noncompliance and Material Weakness with Ohio Revised Code § 5705.10(I) for improperly posting expenditures in a capital projects fund that should have been posted to the General fund.	Fully Corrected	
2024-004	Material Weakness for not properly classifying fund balance classifications.	Finding No Longer Valid	This finding is no longer valid due to filing regulatory financial statements.

OHIO AUDITOR OF STATE KEITH FABER



BARNESVILLE-HUTTON MEMORIAL LIBRARY

BELMONT COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 8/28/2025

65 East State Street, Columbus, Ohio 43215
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This report is a matter of public record and is available online at
www.ohioauditor.gov