



Mary Taylor, CPA  
Auditor of State



**PUBLIC LIBRARY OF STEUBENVILLE AND JEFFERSON COUNTY  
JEFFERSON COUNTY**

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Mary Taylor, CPA  
Auditor of State

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

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

*Mary Taylor*

**Mary Taylor, CPA**  
Auditor of State

July 20, 2010

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Trustees:

We have audited the accompanying financial statements of the Public Library of Steubenville and Jefferson County, Jefferson County, (the Library) as of and for the years ended December 31, 2009 and 2008. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Library has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Library's larger (i.e. major) funds separately. While the Library does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Libraries to reformat their statements. The Library has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2009 and 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Library as of December 31, 2009 and 2008, or its changes in financial position for the years then ended.

Also, 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 Public Library of Steubenville and Jefferson County, Jefferson County, as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Library has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 20, 2010, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

July 20, 2010



PUBLIC LIBRARY OF STEUBENVILLE AND JEFFERSON COUNTY  
JEFFERSON COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	All Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Permanent	
<b>Cash Receipts:</b>					
Library and Local Government Support	\$2,391,772				\$2,391,772
Intergovernmental		\$39,863			39,863
Patron Fines and Fees	69,043				69,043
Services Provided to Other Entities			\$5,000		5,000
Contributions, Gifts and Donations	6,192				6,192
Earnings on Investments	7,365			\$582	7,947
Miscellaneous	55,686				55,686
<b>Total Cash Receipts</b>	<b>2,530,058</b>	<b>39,863</b>	<b>5,000</b>	<b>582</b>	<b>2,575,503</b>
<b>Cash Disbursements:</b>					
Current:					
Salaries	1,438,724				1,438,724
Employee Fringe Benefits	611,984				611,984
Purchased and Contractual Services	370,075	18,026	92,133		480,234
Library Materials and Information	213,150	2,257			215,407
Supplies	55,193	4,111			59,304
Other	11,102				11,102
Capital Outlay			85,995		85,995
<b>Total Cash Disbursements</b>	<b>2,700,228</b>	<b>24,394</b>	<b>178,128</b>		<b>2,902,750</b>
Total Receipts Over/(Under) Disbursements	(170,170)	15,469	(173,128)	582	(327,247)
<b>Other Financing Receipts / (Disbursements):</b>					
Transfers-In	82				82
Transfers-Out		(82)			(82)
<b>Total Other Financing Receipts / (Disbursements)</b>	<b>82</b>	<b>(82)</b>			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(170,088)	15,387	(173,128)	582	(327,247)
Fund Cash Balances, January 1	525,272	41,748	2,480,059	36,608	3,083,687
<b>Fund Cash Balances, December 31</b>	<b>\$355,184</b>	<b>\$57,135</b>	<b>\$2,306,931</b>	<b>\$37,190</b>	<b>\$2,756,440</b>
Reserve for Encumbrances, December 31	\$40,975		\$1,987		\$42,962

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

PUBLIC LIBRARY OF STEUBENVILLE AND JEFFERSON COUNTY  
JEFFERSON COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	All Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Permanent	
<b>Cash Receipts:</b>					
Library and Local Government Support	\$2,909,763				\$2,909,763
Intergovernmental		\$42,413			42,413
Patron Fines and Fees	70,611				70,611
Services Provided to Other Entities			\$4,000		4,000
Contributions, Gifts and Donations	4,526				4,526
Earnings on Investments	109,140			\$1,420	110,560
Miscellaneous	44,342				44,342
<b>Total Cash Receipts</b>	<b>3,138,382</b>	<b>42,413</b>	<b>4,000</b>	<b>1,420</b>	<b>3,186,215</b>
<b>Cash Disbursements:</b>					
Current:					
Salaries	1,507,276				1,507,276
Employee Fringe Benefits	643,891				643,891
Purchased and Contractual Services	454,737	20,041	98,207		572,985
Library Materials and Information	371,368	2,235			373,603
Supplies	79,118	15,471			94,589
Other	12,469	1,779			14,248
Capital Outlay	17,236	14,592	236,335		268,163
<b>Total Cash Disbursements</b>	<b>3,086,095</b>	<b>54,118</b>	<b>334,542</b>		<b>3,474,755</b>
Total Receipts Over/(Under) Disbursements	52,287	(11,705)	(330,542)	1,420	(288,540)
<b>Other Financing Receipts / (Disbursements):</b>					
Transfers-In			300,000		300,000
Transfers-Out	(300,000)				(300,000)
<b>Total Other Financing Receipts / (Disbursements)</b>	<b>(300,000)</b>		<b>300,000</b>		
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(247,713)	(11,705)	(30,542)	1,420	(288,540)
Fund Cash Balances, January 1	772,985	53,453	2,510,601	35,188	3,372,227
<b>Fund Cash Balances, December 31</b>	<b>\$525,272</b>	<b>\$41,748</b>	<b>\$2,480,059</b>	<b>\$36,608</b>	<b>\$3,083,687</b>
Reserve for Encumbrances, December 31	\$72,372	\$2,962	\$1,547		\$76,881

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

**PUBLIC LIBRARY OF STEUBENVILLE AND JEFFERSON COUNTY  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Public Library of Steubenville and Jefferson County, Jefferson County, (the Library) as a body corporate and politic. The Mayor of the City of Steubenville appoints a six-member Board of Trustees to govern the Library. The Library provides the community with various educational and literary resources.

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

**B. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. 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 Auditor of State prescribes or permits.

**C. 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 values Certificates of Deposits at cost. Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

**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 reports all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Library had the following significant Special Revenue Funds:

**PUBLIC LIBRARY OF STEUBENVILLE AND JEFFERSON COUNTY  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Library Services and Technology Act V-4-08 Grant Fund – This fund received grant monies to enhancing library services and technology.

**3. Capital Project Funds**

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Library had the following significant capital project funds:

Building and Repair Fund – This fund provides for building repairs and renovations.

Automation Fund – This fund is used to automate library services and provide computer equipment for patron use.

**4. Permanent Funds**

These funds account for assets held under a trust agreement that are legally restricted to the extent that only earnings, not principal, are available to support the Library's programs. The Library had the following significant permanent fund:

Naylor Trust Fund – Interest earned may be used to purchase books.

**E. 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 2009 and 2008 budgetary activity appears in Note 3.

**F. Property, Plant, and Equipment**

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

**G. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS**

The Library maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

**PUBLIC LIBRARY OF STEUBENVILLE AND JEFFERSON COUNTY  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS - (Continued)**

	2009	2008
Demand deposits	\$1,845,052	\$2,175,215
Certificates of deposit	37,190	36,608
Total deposits	1,882,242	2,211,823
STAR Ohio	874,198	871,864
Total deposits and investments	\$2,756,440	\$3,083,687

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by the financial institution's public entity deposit pool.

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2009 and 2008 follows:

2009 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,475,141	\$2,530,140	\$54,999
Special Revenue	14,513	39,863	25,350
Capital Projects	4,000	5,000	1,000
Permanent		582	582
Total	\$2,493,654	\$2,575,585	\$81,931

2009 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,000,412	\$2,741,203	\$259,209
Special Revenue	24,465	24,476	(11)
Capital Projects	2,480,059	180,115	2,299,944
Total	\$5,504,936	\$2,945,794	\$2,559,142

**PUBLIC LIBRARY OF STEUBENVILLE AND JEFFERSON COUNTY  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**3. BUDGETARY ACTIVITY - (Continued)**

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,056,352	\$3,138,382	\$82,030
Special Revenue		42,413	42,413
Capital Projects		304,000	304,000
Permanent		1,420	1,420
Total	\$3,056,352	\$3,486,215	\$429,863

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,467,343	\$3,458,467	\$8,876
Special Revenue	21,586	57,080	(35,494)
Capital Projects	2,812,108	336,089	2,476,019
Total	\$6,301,037	\$3,851,636	\$2,449,401

**4. GRANTS-IN-AID**

The primary source of revenue for Ohio public libraries is the State Library and Local Government Support Fund (LLGSF). The State allocates LLGSF to each county based on the county's prior intangibles tax of LLGSF revenues, and its population. The County Budget Commission allocates these funds to the Library based on its needs such as for the construction of new library buildings, improvements, operation, maintenance, or other expenses. The Budget Commission cannot reduce its allocation of these funds to the Library based on of any additional revenues the Library receives.

**5. RETIREMENT SYSTEMS**

The Library's 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, OPERS members contributed 10% of their gross salaries and the Library contributed an amount equaling 14% of participants' gross salaries. The Library has paid all contributions required through December 31, 2009.

**6. RISK MANAGEMENT**

**Commercial Insurance**

The Library has obtained commercial insurance for the following risks:

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

**PUBLIC LIBRARY OF STEUBENVILLE AND JEFFERSON COUNTY  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**7. SUBSEQUENT EVENTS**

The Library is facing more reductions in addition to the recent significant drops in state funding. As a result, the Library has chosen to place a 1 mill levy on the ballot for the November 2010 general election.

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# Mary Taylor, CPA

Auditor of State

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

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

To the Board of Trustees:

We have audited the financial statements of the Public Library of Steubenville and Jefferson County, (the Library) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated July 20, 2010, wherein we noted the Library prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Library's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Library's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Library's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Library's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We did note certain matters not requiring inclusion in this report that we reported to the Library's management in a separate letter dated July 20, 2010.

### **Compliance and Other Matters**

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

We intend this report solely for the information and use of management, the Board of Trustees, and others within the Library. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

July 20, 2010



Mary Taylor, CPA  
Auditor of State

**PUBLIC LIBRARY OF STEUBENVILLE AND JEFFERSON COUNTY**  
**JEFFERSON COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED**  
**AUGUST 24, 2010**