



**Auditor of State  
Betty Montgomery**



ST. CLAIRSVILLE PUBLIC LIBRARY  
BELMONT COUNTY

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

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, 2002 and 2001. 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, 2002 and 2001, 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 June 19, 2003, 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.

St. Clairsville Public Library  
Belmont County  
Independent Accountants' Report  
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This report is intended solely for the information and use of the audit committee, management, the Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

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

**Betty Montgomery**  
Auditor of State

June 19, 2003

**ST. CLAIRSVILLE PUBLIC LIBRARY  
BELMONT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
<b>Cash Receipts:</b>					
Library and Local Government Support	\$513,225	\$	\$	\$	\$513,225
Patron Fines and Fees	14,196				14,196
Earnings on Investments	3,675		4,454	2,639	10,768
Contributions, Gifts and Donations	1,524		9,688	2,703	13,915
Miscellaneous Receipts	4,668				4,668
<b>Total Cash Receipts</b>	<b>537,288</b>	<b>0</b>	<b>14,142</b>	<b>5,342</b>	<b>556,772</b>
<b>Cash Disbursements:</b>					
Current:					
Salaries and Benefits	358,252				358,252
Purchased and Contracted Services	63,433		13,341		76,774
Library Materials and Information	93,258			4,086	97,344
Supplies	8,701	300			9,001
Other Objects	10,985				10,985
Capital Outlay	6,403	3,848	145		10,396
<b>Total Cash Disbursements</b>	<b>541,032</b>	<b>4,148</b>	<b>13,486</b>	<b>4,086</b>	<b>562,752</b>
Total Cash Receipts Over/(Under) Cash Disbursements	(3,744)	(4,148)	656	1,256	(5,980)
Fund Cash Balances, January 1	162,148	4,148	253,591	150,447	570,334
<b>Fund Cash Balances, December 31</b>	<b>\$158,404</b>	<b>\$0</b>	<b>\$254,247</b>	<b>\$151,703</b>	<b>\$564,354</b>
Reserves for Encumbrances, December 31	\$30,231	\$0	\$427	\$0	\$30,658

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

ST. CLAIRSVILLE PUBLIC LIBRARY  
BELMONT COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCE  
AGENCY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2002

<b>Operating Cash Receipts:</b>	
Contributions, Gifts and Donations	<u>\$7,553</u>
Total Operating Cash Receipts	<u>7,553</u>
<b>Operating Cash Disbursements:</b>	
Current:	
Purchased and Contracted Services	<u>4,805</u>
Total Operating Cash Disbursements	<u>4,805</u>
Operating Income	<u>2,748</u>
Cash Balance, January 1	<u>0</u>
<b>Cash Balance, December 31</b>	<b><u><u>\$2,748</u></u></b>

*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 SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
<b>Cash Receipts:</b>					
Library and Local Government Support	\$556,668	\$	\$	\$	\$556,668
Other Government Grants-In-Aid		18,358			18,358
Patron Fines and Fees	10,398				10,398
Earnings on Investments	5,794	542	9,932	5,735	22,003
Contributions, Gifts and Donations	1,100		1,300	128,136	130,536
Miscellaneous Receipts	1,234				1,234
<b>Total Cash Receipts</b>	<u>575,194</u>	<u>18,900</u>	<u>11,232</u>	<u>133,871</u>	<u>739,197</u>
<b>Cash Disbursements:</b>					
Current:					
Salaries and Benefits	338,709				338,709
Purchased and Contracted Services	64,364				64,364
Library Materials and Information	81,274				81,274
Supplies	9,265				9,265
Other Objects	9,467				9,467
Capital Outlay	19,755	14,752			34,507
<b>Total Cash Disbursements</b>	<u>522,834</u>	<u>14,752</u>	<u>0</u>	<u>0</u>	<u>537,586</u>
<b>Total Cash Receipts Over Cash Disbursements</b>	<u>52,360</u>	<u>4,148</u>	<u>11,232</u>	<u>133,871</u>	<u>201,611</u>
Fund Cash Balances, January 1	109,788	0	242,359	16,576	368,723
<b>Fund Cash Balances, December 31</b>	<u><b>\$162,148</b></u>	<u><b>\$4,148</b></u>	<u><b>\$253,591</b></u>	<u><b>\$150,447</b></u>	<u><b>\$570,334</b></u>
Reserves for Encumbrances, December 31	<u>\$25,556</u>	<u>\$4,148</u>	<u>\$6,100</u>	<u>\$0</u>	<u>\$35,804</u>

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

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**ST. CLAIRSVILLE PUBLIC LIBRARY  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The 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 Ohio. The Library is directed by a seven-member Board of Trustees appointed by the St. Clairsville-Richland City School District Board of Education. The Library provides the community with various educational and literary resources. The Library is involved with the Southeastern Ohio Library Organization (SOLO) Regional Library System 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.

STAROhio funds are recorded at share values reported by the mutual fund.

**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.

**ST. CLAIRSVILLE PUBLIC LIBRARY  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

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

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds**

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

*Gates Foundation Fund* – This fund receives state grant funds to provide for the expansion of public access to computers and the Internet.

**3. Capital Project Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Library had the following significant Capital Projects Fund:

*Building Fund* – This fund receives contributions and interest to provide for a possible building project.

**4. Fiduciary Funds (Trust and Agency Funds)**

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Library to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. Funds for which the Library is acting in an agency capacity are classified as agency funds. The Library had the following significant Fiduciary Funds:

*Memorial Fund* (Expendable Trust Fund) – This fund receives contributions and interest to provide for library materials and information.

*Recipe Book Fund* (Agency Fund) - This fund receives contributions to provide for the printing of recipe books for subsequent sale.

**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 2002 and 2001 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.

**ST. CLAIRSVILLE PUBLIC LIBRARY  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

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

**G. Accumulated Leave**

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

**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:

	2002	2001
Demand deposits	\$111,809	\$116,923
STAROhio	455,293	453,411
Total deposits and investments	\$567,102	\$570,334

**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, 2002 and 2001, follows:

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$675,373	\$571,263	\$104,110
Special Revenue	4,448	4,148	300
Capital Projects	264,590	13,913	250,677
Fiduciary	158,689	8,891	149,798
Total	\$1,103,100	\$598,215	\$504,885

**ST. CLAIRSVILLE PUBLIC LIBRARY  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$665,314	\$548,390	\$116,924
Special Revenue	18,900	18,900	0
Capital Projects	255,359	6,100	249,259
Fiduciary	151,626	0	151,626
Total	\$1,091,199	\$573,390	\$517,809

**4. GRANTS-IN-AID**

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 based on any additional revenues the Library receives.

**5. RETIREMENT SYSTEM**

The Public Employees Retirement System of Ohio (PERS) is a state operated, cost-sharing, multiple employer public employee retirement system. PERS provides retirement benefits to vested employees who are eligible to retire based upon years of service. PERS also provides survivor and disability benefits to vested employees.

Contribution rates are prescribed by the Ohio Revised Code. The Library's PERS members contributed 8.5% of their gross salaries. The Library contributed an amount equal to 13.55% of participants' gross salaries. The Library has paid all contributions required through December 31, 2002.

**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.

**ST. CLAIRSVILLE PUBLIC LIBRARY  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**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 \$9,025 to the SOLO Regional Library System during the period January 1, 2002 through December 31, 2002 and paid \$7,025 during the period of January 1, 2001 through December 31, 2001.

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT 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, 2002 and 2001, and have issued our report thereon dated June 19, 2003. 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.

St. Clairsville Public Library  
Belmont County  
Independent Accountants' Report on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
Page 2

This report is intended solely for the information and use of the audit committee, management, and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

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

**Betty Montgomery**  
Auditor of State

June 19, 2003



**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

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800-282-0370

Facsimile 614-466-4490

**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  
AUGUST 26, 2003**