



**WELLSVILLE CARNEGIE PUBLIC LIBRARY  
COLUMBIANA COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999-1998**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**WELLSVILLE CARNEGIE PUBLIC LIBRARY  
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## REPORT OF INDEPENDENT ACCOUNTANTS

Wellsville Carnegie Public Library  
Columbiana County  
115 Ninth Street  
Wellsville, Ohio 43968

To the Board of Library Trustees:

We have audited the accompanying financial statements of Wellsville Carnegie Public Library, Columbiana County, Ohio, (the Library) as of and for the years ended December 31, 1999 and December 31, 1998. These financial statements are the responsibility of the Library's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 1, the Library prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Library as of December 31, 1999 and December 31, 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2000 on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts.

This report is intended solely for the information and use of management, the Board of Library Trustees, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

March 16, 2000



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

	<u>Governmental</u>		<u>Fiduciary</u>	<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
<b>Cash Receipts:</b>				
State Income Taxes	\$433,349			\$433,349
Patron Fines and Fees	1,917			1,917
Interest on Investments	16,341		3,373	19,714
Unrestricted Contributions	61,071	350,000		411,071
Refunds and Reimbursements	175			175
Rentals and Copies	931			931
Other Revenue	25			25
<b>Total Cash Receipts</b>	<u>513,809</u>	<u>350,000</u>	<u>3,373</u>	<u>867,182</u>
<b>Cash Disbursements:</b>				
Salaries and Benefits	110,495			110,495
Retirement Benefits	15,310			15,310
Insurance Benefits	10,242			10,242
Other Employee Benefits	2,718			2,718
General Administrative Supplies	3,711			3,711
Property Maintenance	787			787
Travel and Meeting Expense	1,129			1,129
Communications, Printing, and Publicity	4,568			4,568
Property Maintenance, Repair, and Security	4,588			4,588
Insurance	2,761			2,761
Rents/Leases	4,498			4,498
Utilities	5,224			5,224
Professional Services	50,347			50,347
Books and Pamphlets	44,752			44,752
Periodicals	2,875			2,875
Audiovisual Materials	2,418			2,418
Computer Services	1,500			1,500
Land Improvements	3,833			3,833
Building Improvements	299,654	425,764	23,149	748,567
Furniture and Equipment	104,810			104,810
Dues and Memberships	9,100			9,100
Miscellaneous	590			590
<b>Total Cash Disbursements</b>	<u>685,910</u>	<u>425,764</u>	<u>23,149</u>	<u>1,134,823</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>(172,101)</u>	<u>(75,764)</u>	<u>(19,776)</u>	<u>(267,641)</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Transfers-In	17,245			17,245
Transfers-Out			(17,245)	(17,245)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>17,245</u>		<u>(17,245)</u>	
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>(154,856)</u>	<u>(75,764)</u>	<u>(37,021)</u>	<u>(267,641)</u>
<b>Fund Cash Balances, January 1</b>	<u>424,472</u>	<u>398,791</u>	<u>63,856</u>	<u>887,119</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$269,616</b></u>	<u><b>\$323,027</b></u>	<u><b>\$26,835</b></u>	<u><b>\$619,478</b></u>

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

**WELLSVILLE CARNEGIE PUBLIC LIBRARY  
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
 CHANGES IN FUND CASH BALANCES  
 ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental</u>		<u>Fiduciary</u>	<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
<b>Cash Receipts:</b>				
State Income Taxes	\$396,121			\$396,121
Patron Fines and Fees	2,054			2,054
Interest on Investments	22,081		3,503	25,584
Unrestricted Contributions	343	300,000		300,343
Refunds and Reimbursements	824			824
Rentals and Copies	1,543			1,543
Other Revenue	15,894			15,894
<b>Total Cash Receipts</b>	<u>438,860</u>	<u>300,000</u>	<u>3,503</u>	<u>742,363</u>
<b>Cash Disbursements:</b>				
Salaries and Benefits	99,894			99,894
Retirement Benefits	13,622			13,622
Insurance Benefits	8,574			8,574
Other Employee Benefits	2,157			2,157
General Administrative Supplies	1,305			1,305
Property Maintenance	640			640
Travel and Meeting Expense	1,563			1,563
Communications, Printing, and Publicity	4,895			4,895
Property Maintenance, Repair, and Security	1,076			1,076
Insurance	2,603			2,603
Rents/Leases	284			284
Utilities	2,923			2,923
Professional Services	80,094			80,094
Books and Pamphlets	38,539			38,539
Periodicals	2,810			2,810
Audiovisual Materials	2,050			2,050
Computer Services	1,437			1,437
Building Improvements	190,275	36,300		226,575
Dues and Memberships	7,968			7,968
Refunds and Reimbursements	10,336			10,336
Miscellaneous	110			110
<b>Total Cash Disbursements</b>	<u>473,155</u>	<u>36,300</u>		<u>509,455</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>(34,295)</u>	<u>263,700</u>	<u>3,503</u>	<u>232,908</u>
Fund Cash Balances, January 1	<u>458,767</u>	<u>135,091</u>	<u>60,353</u>	<u>654,211</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$424,472</b></u>	<u><b>\$398,791</b></u>	<u><b>\$63,856</b></u>	<u><b>\$887,119</b></u>

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



**WELLSVILLE CARNEGIE PUBLIC LIBRARY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Wellsville Carnegie Public Library, Columbiana County, (the Library) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Library operates under the direction of a seven-member board of library trustees appointed by the Wellsville Local School District Board of Education. The trustees serve for a period of seven years or until their successors are chosen.

The Wellsville Carnegie Public Library Association is a nonprofit corporation which adopted its articles of incorporation in accordance with Section 3375.33 to 3375.41, Revised Code. The Library was qualified as a "public library" in accordance with Section 5705.28, Revised Code, by adopting rules and regulations extending free benefits of library services to all the inhabitants of Columbiana County.

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. Except gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Certificates of deposit are valued at cost.

**D. Fund Accounting**

The Library uses fund accounting to segregate cash and investments that are restricted as to use. The Library classifies its funds into the following types:

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Capital Projects 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 funds:

**WELLSVILLE CARNEGIE PUBLIC LIBRARY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

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

*Building and Repair Fund* - Received proceeds from contributions and transfers from the general fund. The proceeds were being used for any repairs or renovations to the Library.

*Permanent Improvement Fund* - Monies to be spent on improvements for the library.

**3. Fiduciary Funds (Expendable Trust Funds)**

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Library to maintain the corpus of the trust, therefore the fund is classified as a non-expendable trust fund. Other trust funds are classified as expendable. The Library had the following significant fiduciary funds:

*Struthers Expendable Trust Fund* - This fund accounts for the proceeds of the Struthers Trust granted to the Library to provide books and materials to the Library.

*Swaney Expendable Trust Fund* - This fund accounts for the proceeds of the Swaney Trust granted to the Library to provide books and materials to the Library.

*Johnson Expendable Trust Fund* - This fund accounts for the proceeds of the Johnson Trust granted to the Library for operating purposes.

**E. Budgetary Process**

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

**1. Appropriations**

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

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1.

**3. Encumbrances**

The Ohio Administrative Code requires the Library to reserve (encumber) appropriations when individual commitments are made. The Library did not encumber all commitments required through the Ohio Administrative Code.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**WELLSVILLE CARNEGIE PUBLIC LIBRARY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

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

**G. Unpaid Vacation and Sick Leave**

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

**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 was as follows:

	<u>1999</u>	<u>1998</u>
Demand deposits	\$579,947	\$847,588
Change Fund	31	31
Certificate of deposit	<u>39,500</u>	<u>39,500</u>
Total deposits	<u><u>\$619,478</u></u>	<u><u>\$887,119</u></u>

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 1999 and December 31, 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$892,000	\$531,054	(\$360,946)
Capital Projects	33,000	350,000	317,000
Expendable Trust	<u>0</u>	<u>3,373</u>	<u>3,373</u>
Total	<u><u>\$925,000</u></u>	<u><u>\$884,427</u></u>	<u><u>(\$40,573)</u></u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$779,000	\$685,910	\$93,090
Capital Projects	648,792	425,764	223,028
Expendable Trust	<u>63,179</u>	<u>40,394</u>	<u>22,785</u>
Total	<u><u>\$1,490,971</u></u>	<u><u>\$1,152,068</u></u>	<u><u>\$338,903</u></u>

**WELLSVILLE CARNEGIE PUBLIC LIBRARY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$336,000	\$438,860	\$102,860
Capital Projects	0	300,000	300,000
Debt Service	27,500	0	(27,500)
Expendable Trust	0	3,503	3,503
Total	<u>\$363,500</u>	<u>\$742,363</u>	<u>\$378,863</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$896,500	\$473,155	\$423,345
Capital Projects	135,092	36,300	98,792
Debt Service	30,000	0	30,000
Expendable Trust	60,175	0	60,175
Total	<u>\$1,121,767</u>	<u>\$509,455</u>	<u>\$612,312</u>

The Library was in violation of Ohio Administrative Code §117-4-07 (D). This section states that proper encumbering is initiated by the use of a purchase order. The Library was not properly utilizing purchase orders to ensure that disbursements and/or encumbrances were properly encumbered.

The Library was in violation of Ohio Administrative Code §117-4-10. This section provides, in part, that upon determination by the clerk/treasurer that revenue to be collected by the board will be greater or less than the amount included in an official certificate, the clerk/treasurer shall certify the amount of the excess or deficiency to the county budget commission. The intent of this statutory requirement is to require the board to certify receipt amounts based on realistic projection of receipts and to require the clerk/treasurer to obtain a "reduction" certificate when it appears that budgetary resources will fall short of earlier estimates, reducing the possibility that deficit spending will occur. The Library had two funds where estimated receipts exceeded actual receipts.

**4. COMPLIANCE**

The Library was in violation of Ohio Revised Code §3375.41. This section lists the requirements that a Board of Library Trustees must follow when awarding contracts for the construction, demolition, alteration, repair or reconstruction of a library or make any improvements or repairs which exceed \$15,000. The Library initiated and approved numerous change orders related to its Renovation/Addition Project. Change orders are appropriate in situations dealing with unexpected circumstances or aspects of a project that could not be anticipated. These change orders did not meet this criteria and required that the library bid these projects separately since, in total, they exceeded the \$15,000 limit.

**5. GRANTS-IN-AID AND TAX RECEIPTS**

The primary source of revenue for Ohio association 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 needs such as for the construction of new library buildings, improvements, operation, maintenance, or other expenses. The Budget Commission cannot reduce its allocation of these funds to the Library on account of any additional revenues realized by the Library.

**WELLSVILLE CARNEGIE PUBLIC LIBRARY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**5. GRANTS-IN-AID AND TAX RECEIPTS (Continued)**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the taxing authority of the subdivision to whose jurisdiction the Library is subject. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Other Governments Grants In Aid. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the taxing district.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

**6. RETIREMENT SYSTEMS**

The Public Employees Retirement System (PERS) of Ohio 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 also 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, 1999.

**7. RISK MANAGEMENT**

The Library maintains comprehensive insurance coverage with private carriers for real property and building contents. Real property and contents are insured at replacement cost. The Library has also obtained commercial insurance for its general liability risks and its public officials' liability risks.

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

Wellsville Carnegie Public Library  
Columbiana County  
115 Ninth Street  
Wellsville, Ohio 43968

To the Board of Library Trustees:

We have audited the accompanying financial statements of Wellsville Carnegie Public Library, Columbiana County, Ohio (the Library), as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated March 16, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Library's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 1999-01215-001 through 1999-01215-003. We also noted a certain immaterial instance of noncompliance that we have reported to the management of Wellsville Carnegie Public Library in a separate letter dated March 16, 2000.

**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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the Library's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings as item 1999-01215-003.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Library in a separate letter dated March 16, 2000.

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

**Jim Petro**  
Auditor of State

March 16, 2000



**SCHEDULE OF FINDINGS**

**WELLSVILLE CARNEGIE PUBLIC LIBRARY  
COLUMBIANA COUNTY  
DECEMBER 31, 1999 AND 1998**

<b>FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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<b>Finding Number</b>	<b>1999-01215-001</b>
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Ohio Administrative Code §117-4-07 (D) states that each disbursement of Library money shall be drawn against an appropriate fund and appropriation account. Each such disbursement or an encumbrance charged against an appropriation account shall be posted to and subtracted from the appropriated balance producing a declining unencumbered balance. This procedure is to be initiated by an executed purchase order.

During our voucher testing, we noted that the invoice date preceded the purchase order date in 63 out of the 65 vouchers tested. As such, the Library was not properly encumbering its funds as required by this aforementioned Administrative Code section.

We recommend that the Library comply with this Administrative Code Section.

<b>Finding Number</b>	<b>1999-01215-002</b>
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Ohio Revised Code §3375.41 states that when a Board of Library Trustees determines to construct, demolish, alter, repair, or reconstruct a library or make any improvements or repairs which will exceed \$15,000, except in cases of urgent necessity or for the security and protection of library property, it is required to advertise for bids for a period of 4 weeks in some newspaper of general circulation in the district.

On May 26, 1998, the Library awarded the general work contract for the Library's Renovation/Addition Project to Villano Construction for \$497,860. From July 1, 1998 through June 14, 1999, the library initiated and approved 12 change orders that totaled \$235,225, which is roughly 47% of the original bid amount. Change orders are appropriate in situations dealing with unexpected circumstances or aspects of a project that could not be anticipated. These change orders did not meet this criteria. The Library voluntarily chose these additions and/or revisions to it's Renovation/Addition Project. As such, these were not proper change orders and required that the Library bid these projects separately since, in total, they exceeded the \$15,000 limit.

We recommend that the Library comply with this revised code section.

<b>Finding Number</b>	<b>1999-01215-003</b>
-----------------------	-----------------------

The Library's certified receipts in certain funds were significantly greater than actual receipts and in certain funds, appropriations exceeded total certified resources. This situation suggests that the Board of Library Trustees may not monitor properly the Library's budgetary activity and may not utilize its budgetary system as a mechanism to control costs. As a result, the Library may make appropriations and expenditures or incur obligations based on inaccurate estimates.

Ohio Administrative Code §117-4-10 provides, in part, that upon determination by the clerk/treasurer that the revenue to be collected by the board will be greater or less than the amount included in an official certificate, the clerk/treasurer shall certify the amount of the excess or deficiency to the county budget commission. The intent of this statutory requirement is to require the board to certify receipt amounts based on realistic projection of receipts and to require the clerk/treasurer to obtain a "reduction" certificate when it appears that budgetary resources will fall short of earlier estimates, reducing the possibility that deficit spending will occur.

**SCHEDULE OF FINDINGS**

**WELLSVILLE CARNEGIE PUBLIC LIBRARY  
COLUMBIANA COUNTY  
DECEMBER 31, 1999 AND 1998  
(Continued)**

The following funds had estimated receipts that exceeded actual receipts:

<u>1998</u>	<u>Est. Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
Debt Service	27,500	0	(27,500)
<u>1999</u>			
General Fund	892,000	531,054	(360,946)

Ohio Administrative Code §117-4-07 prohibits appropriations exceeding total certified resources. The following funds had appropriations that exceeded total certified resources:

<u>1998</u>	<u>Appropriations</u>	<u>Total Resources</u>	<u>Variance</u>
General Fund	896,500	794,766	(101,734)
<u>1999</u>			
Capital Projects Funds	658,792	431,792	(227,000)

We recommend that the Board of Library Trustees use it's budgetary system as a mechanism to control costs and certify receipt amounts based on a realistic projection of receipts. This, in turn, would assist the Library Board in making appropriations that are more in line with estimated resources. Unforeseen receipt increases or decreases would then require the Clerk/Treasurer to obtain amended certificates. Monitoring the Library's budgetary activity more closely may assist the Board in ensuring that the Library complies with applicable budgetary law.