



Mary Taylor, CPA
Auditor of State

ST. CLAIRSVILLE PUBLIC LIBRARY
BELMONT COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government–Wide Financial Statements 2008:	
Statement of Net Assets – Cash Basis.....	9
Statement of Activities – Cash Basis.....	10
Governmental Financial Statements 2008:	
Statement of Cash Basis Assets and Fund Balances – Governmental Funds.....	11
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances – Governmental Funds.....	12
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual – Budget Basis – General Fund.....	13
Government–Wide Financial Statements 2007:	
Statement of Net Assets – Cash Basis.....	14
Statement of Activities – Cash Basis.....	15
Governmental Financial Statements 2007:	
Statement of Cash Basis Assets and Fund Balances – Governmental Funds.....	16
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances – Governmental Funds.....	17
Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual -- Budget Basis – General Fund.....	18
Notes to the Basic Financial Statements.....	19
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	29

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Mary Taylor, CPA

Auditor of State

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 governmental activities, each major fund, and the aggregate remaining fund information of the St. Clairsville Public Library, Belmont County, Ohio (the Library), as of and for the years ended December 31, 2008 and 2007, which collectively comprise the Library's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Library's management. Our responsibility is to express opinions 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. The Library processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Library because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinions.

As discussed in Note 2C, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Clairsville Public Library, Belmont County, Ohio, as of December 31, 2008 and 2007, and the respective changes in cash financial position and the respective budgetary comparison for the General Fund thereof for the years then ended in conformity with the basis of accounting Note 2C describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 7, 2009, 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.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Mary Taylor, CPA
Auditor of State

May 7, 2009

St. Clairsville Public Library
Management's Discussion and Analysis
For the Year Ended December 31, 2008 and 2007
Unaudited

This discussion and analysis of the St. Clairsville Public Library's (the Library) financial performance provides an overall review of the Library's financial activities for the years ended December 31, 2008 and 2007, within the limitations of the Library's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Library's financial performance.

Highlights

Key highlights for 2008 and 2007 are as follows:

Net assets decreased \$29,769 from December 31, 2007 to December 31, 2008 and increased \$75,662 from December 31, 2006 to December 31, 2007.

General receipts accounted for \$525,375 or 96% of all receipts in 2008 and \$553,307 or 96% of all receipts in 2007. The general revenue receipts consist of primarily intergovernmental receipts and earned interest. Program receipts in the form of charge for services and contributions accounted for 4% and 4%, in 2008 and 2007, respectively, of total receipts.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Library's cash basis of accounting.

Report Components

The Statement of Net Assets and the Statement of Activities provide information about the cash activities of the Library as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Library as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the basic financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Library has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Library's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

St. Clairsville Public Library
Management's Discussion and Analysis
For the Year Ended December 31, 2008 and 2007
Unaudited

Reporting the Library as a Whole

The Statement of Net Assets and the Statement of Activities reflect how the Library did financially during 2008 and 2007, within the limitations of cash basis accounting. The Statement of Net Assets presents the cash balances of the governmental activities of the Library at year end. The Statement of Activities compares cash disbursements with program receipts for each governmental program activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Library's general receipts.

These statements report the Library's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Library's financial health. Over time, increases or decreases in the Library's cash position is one indicator of whether the Library's financial health is improving or deteriorating. When evaluating the Library's financial condition, you should also consider other non-financial factors as well such as the Library's property tax base, the condition of the Library's capital assets and infrastructure, the extent of the Library's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as Library and Local Government Support Funding (LLGSF).

In the Statement of Net Assets and the Statement of Activities, the Library has only one type of activity:

Governmental activities. The Library's basic services are reported here. Library and Local Government Support Funding finances most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Library's Most Significant Funds

Fund financial statements provide detailed information about the Library's major fund – not the Library as a whole. The Library establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Library are all governmental.

Governmental Funds - All of the Library's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Library's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Library's programs. The Library's significant governmental funds are presented on the financial statements in separate columns. The Library's major governmental funds are the General Fund, Marcy Lewis Memorial Fund and Capital Project Fund. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. Programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

St. Clairsville Public Library
 Management's Discussion and Analysis
 For the Year Ended December 31, 2008 and 2007
 Unaudited

The Library as a Whole

Table 1 provides a summary of the Library's net assets for 2008 compared to 2007 and for 2007 compared to 2006 on a cash basis:

(Table 1)

Net Assets

	Governmental Activities		
	2008	2007	2006
Assets			
Cash and Cash Equivalents	\$708,361	\$738,130	\$662,468
Total Assets	\$708,361	\$738,130	\$662,468
Net Assets			
Restricted for:			
Other Purposes	\$466,687	\$456,193	\$433,013
Unrestricted	241,674	281,937	229,455
Total Net Assets	\$708,361	\$738,130	\$662,468

As mentioned previously, net assets of governmental activities decreased \$29,769 and increased \$75,662 during 2008 and 2007, respectively.

Table 2 reflects the changes in net assets on a modified cash basis in 2008 and 2007 for governmental activities.

St. Clairsville Public Library
Management's Discussion and Analysis
For the Year Ended December 31, 2008 and 2007
Unaudited

(Table 2)

Changes in Net Assets

	Governmental Activities		
	2008	2007	2006
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$11,395	\$11,099	\$11,936
Operating Grants and Contributions	12,150	13,179	4,720
Total Program Receipts	<u>23,545</u>	<u>24,278</u>	<u>16,656</u>
General Receipts:			
Unrestricted Gifts and Contributions	740	921	4,729
Grants and Entitlements Not Restricted to Specific Programs	505,365	513,655	513,816
Interest	17,403	34,488	29,757
Miscellaneous	1,867	4,243	5,090
Total General Receipts	<u>525,375</u>	<u>553,307</u>	<u>553,392</u>
Total Receipts	<u>548,920</u>	<u>577,585</u>	<u>570,048</u>
Disbursements:			
Library Services	517,508	479,666	440,895
Capital Outlay	61,181	22,257	82,733
Other	0	0	1,726
Total Disbursements	<u>578,689</u>	<u>501,923</u>	<u>525,354</u>
Increase (Decrease) in Net Assets	(29,769)	75,662	44,694
Net Assets, January 1,	738,130	662,468	617,774
Net Assets, December 31,	<u>\$708,361</u>	<u>\$738,130</u>	<u>\$662,468</u>

Program receipts represent only 4% and 4%, in 2008 and 2007, respectively, of total receipts and are primarily comprised of patron fines and fees.

General receipts represent 96 and 96 percent, in 2008 and 2007, respectively, of the Library's total receipts, and of this amount, over 96 and 93 percent, in 2008 and 2007, respectively, are Public Library Fund monies.

Governmental Activities

If you look at the Statement of Activities on pages 10 and 15, you will see that the first column lists the major services provided by the Library. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for Library Services, which account for 99 and 98 percent of all governmental disbursements, respectively for 2008 and 2007.

St. Clairsville Public Library
Management's Discussion and Analysis
For the Year Ended December 31, 2008 and 2007
Unaudited

The next two columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Library that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

Governmental Activities						
	Total Cost of Services 2008	Net Cost of Services 2008	Total Cost of Services 2007	Net Cost of Services 2007	Total Cost of Services 2006	Net Cost of Services 2006
Library Services	\$517,508	\$493,963	\$479,666	\$455,388	\$440,895	\$424,239
Capital Outlay	61,181	61,181	22,257	22,257	82,733	82,733
Other					1,726	1,726
Total Expenses	\$578,689	\$555,144	\$501,923	\$477,645	\$525,354	\$508,698

The dependence upon intergovernmental receipts is apparent as 96 and 96 percent, in 2008 and 2007, respectively, of governmental activities are supported through these general receipts.

The Library's Funds

The General Fund had a net change in fund balance of (\$40,263) and \$52,482, in 2008 and 2007, respectively.

The Marcy Lewis Memorial Fund had a net change in fund balance of \$4,088 and \$8,000, in 2008 and 2007, respectively.

The Capital Project Fund had a net change in fund balance of \$6,912 and \$13,564, in 2008 and 2007, respectively.

General Fund Budgeting Highlights

The Library's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During 2008, the Library amended both its appropriations and estimated receipts.

The Library budgets conservatively for the public library funds due to the uncertainty of future cuts from that funding source. The total expenditure variances are a result of conservative spending measures on behalf of the Library's management as a result of the uncertainty of the Public Library Fund funding levels in future periods.

St. Clairsville Public Library
Management's Discussion and Analysis
For the Year Ended December 31, 2008 and 2007
Unaudited

Capital Assets and Debt Administration

Capital Assets

The Library does not currently keep track of its capital assets and infrastructure.

Debt

At December 31, 2008 and December 31, 2007, the Library had no outstanding debt.

Current Issues

The challenge for all Libraries is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. The Library depends on the Library and Local Government Support Fund to stay in operation.

The Library is currently involved with litigation with the City of St. Clairsville regarding ownership of parking property.

Contacting the Library's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Library's finances and to reflect the Library's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Lori McKeen, Fiscal Officer, St. Clairsville Public Library, 108 West Main Street, St. Clairsville, Ohio 43950.

ST. CLAIRSVILLE PUBLIC LIBRARY
BELMONT COUNTY

STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2008

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 708,361
<i>Total Assets</i>	<u>\$ 708,361</u>
Net Assets:	
Restricted for:	
Capital Projects	\$ 279,766
Other Purposes	186,921
Unrestricted	241,674
<i>Total Net Assets</i>	<u>\$ 708,361</u>

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

**ST. CLAIRSVILLE PUBLIC LIBRARY
BELMONT COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
DECEMBER 31, 2008**

	<u>Program Cash Receipts</u>			Net (Disbursements) Receipts and Changes in Net Assets
	<u>Cash Disbursements</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities:				
Library Services	\$ 517,508	\$ 11,395	\$ 12,150	\$ (493,963)
Capital Outlay	<u>61,181</u>			<u>(61,181)</u>
<i>Total Governmental Activities</i>	<u>\$ 578,689</u>	<u>\$ 11,395</u>	<u>\$ 12,150</u>	<u>(555,144)</u>
		Unrestricted Gifts and Contributions		740
		Grants not Restricted to Specific Programs		505,365
		Interest		17,403
		Miscellaneous		<u>1,867</u>
		<i>Total General Receipts</i>		<u>525,375</u>
		<i>Change in Net Assets</i>		(29,769)
		Net Assets Beginning of Year		<u>738,130</u>
		Net Assets End of Year		<u>\$ 708,361</u>

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

**ST. CLAIRSVILLE PUBLIC LIBRARY
BELMONT COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2008**

	General	Marcyl Lewis Memorial Fund	Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 241,674	\$ 164,921	\$ 279,766	\$ 22,000	\$ 708,361
<i>Total Assets</i>	<u>\$ 241,674</u>	<u>\$ 164,921</u>	<u>\$ 279,766</u>	<u>\$ 22,000</u>	<u>\$ 708,361</u>
Fund Balances:					
Reserved:					
Reserved for Encumbrances	\$ 14,095		\$ 4,000		\$ 18,095
Unreserved:					
Undesignated (Deficit), Reported in:					
General Fund	227,579				227,579
Special Revenue Funds		164,921		22,000	186,921
Capital Projects Fund			275,766		275,766
<i>Total Fund Balances</i>	<u>\$ 241,674</u>	<u>\$ 164,921</u>	<u>\$ 279,766</u>	<u>\$ 22,000</u>	<u>\$ 708,361</u>

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

**ST. CLAIRSVILLE PUBLIC LIBRARY
BELMONT COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	General	Marcyl Lewis Memorial Fund	Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Cash Receipts:					
Intergovernmental	\$ 505,365	\$	\$	\$	\$ 505,365
Patron Fines and Fees	11,395				11,395
Gifts, Donations and Contributions	11,474			1,416	12,890
Interest	6,136	4,088	6,912	267	17,403
Miscellaneous	1,867				1,867
<i>Total Cash Receipts</i>	<u>536,237</u>	<u>4,088</u>	<u>6,912</u>	<u>1,683</u>	<u>548,920</u>
Cash Disbursements:					
Current:					
Library Services	516,009			1,499	517,508
Capital Outlay	60,491			690	61,181
<i>Total Cash Disbursements</i>	<u>576,500</u>	<u>0</u>	<u>0</u>	<u>2,189</u>	<u>578,689</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>(40,263)</u>	<u>4,088</u>	<u>6,912</u>	<u>(506)</u>	<u>(29,769)</u>
<i>Net Change in Fund Balances</i>	<u>(40,263)</u>	<u>4,088</u>	<u>6,912</u>	<u>(506)</u>	<u>(29,769)</u>
Fund Balances Beginning of Year	<u>281,937</u>	<u>160,833</u>	<u>272,854</u>	<u>22,506</u>	<u>738,130</u>
Fund Balances End of Year	<u>\$ 241,674</u>	<u>\$ 164,921</u>	<u>\$ 279,766</u>	<u>\$ 22,000</u>	<u>708,361</u>

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

**ST. CLAIRSVILLE PUBLIC LIBRARY
BELMONT COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Intergovernmental	\$ 517,189	\$ 502,126	\$ 505,365	\$ 3,239
Patron Fines and Fees	11,917	10,500	11,395	895
Contribution, Gifts and Donations	4,584	4,450	11,474	7,024
Interest	12,875	12,500	6,136	(6,364)
Miscellaneous		1,070	1,867	797
<i>Total Receipts</i>	<u>546,565</u>	<u>530,646</u>	<u>536,237</u>	<u>5,591</u>
Disbursements:				
Current:				
Library Services	720,683	690,928	529,504	161,424
Capital Outlay	92,583	99,608	61,091	38,517
<i>Total Disbursements</i>	<u>813,266</u>	<u>790,536</u>	<u>590,595</u>	<u>199,941</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(266,701)	(259,890)	(54,358)	205,532
Other Financing Sources (Uses):				
Other Financing Uses	(10,000)	(600)	0	600
<i>Total Other Financing Sources (Uses)</i>	<u>(10,000)</u>	<u>(600)</u>	<u>0</u>	<u>600</u>
<i>Net Change in Fund Balance</i>	(276,701)	(260,490)	(54,358)	206,132
Fund Balance Beginning of Year	212,637	212,637	212,637	0
<i>Prior Year Encumbrances Appropriated</i>	<u>69,300</u>	<u>69,300</u>	<u>69,300</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 5,236</u>	<u>\$ 21,447</u>	<u>\$ 227,579</u>	<u>\$ 206,132</u>

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

**ST. CLAIRSVILLE PUBLIC LIBRARY
BELMONT COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2007**

	Governmental Activities
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 738,130
<i>Total Assets</i>	\$ 738,130
 Net Assets:	
Restricted for:	
Capital Projects	\$ 272,854
Other Purposes	183,339
Unrestricted	281,937
<i>Total Net Assets</i>	\$ 738,130

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

**ST. CLAIRSVILLE PUBLIC LIBRARY
BELMONT COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
DECEMBER 31, 2007**

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	
Governmental Activities:				
Library Services	\$ 479,666	\$ 11,099	\$ 13,179	\$ (455,388)
Capital Outlay	22,257			(22,257)
<i>Total Governmental Activities</i>	\$ 501,923	\$ 11,099	\$ 13,179	(477,645)
		General Receipts:		
		Unrestricted Gifts and Contributions	921	
		Grants not Restricted to Specific Programs	513,655	
		Interest	34,488	
		Miscellaneous	4,243	
		<i>Total General Receipts</i>	553,307	
		<i>Change in Net Assets</i>		75,662
		Net Assets Beginning of Year		662,468
		Net Assets End of Year	\$ 738,130	

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

**ST. CLAIRSVILLE PUBLIC LIBRARY
BELMONT COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2007**

	General	Marcyl Lewis Memorial Fund	Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 281,937	\$ 160,833	\$ 272,854	\$ 22,506	\$ 738,130
<i>Total Assets</i>	<u>\$ 281,937</u>	<u>\$ 160,833</u>	<u>\$ 272,854</u>	<u>\$ 22,506</u>	<u>\$ 738,130</u>
Fund Balances:					
Reserved:					
Reserved for Encumbrances	\$ 69,300				\$ 69,300
Unreserved:					
Undesignated (Deficit), Reported in:					
General Fund	212,637			22,506	235,143
Special Revenue Funds		160,833			160,833
Capital Projects Funds			272,854		272,854
<i>Total Fund Balances</i>	<u>\$ 281,937</u>	<u>\$ 160,833</u>	<u>\$ 272,854</u>	<u>\$ 22,506</u>	<u>\$ 738,130</u>

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

ST. CLAIRSVILLE PUBLIC LIBRARY
BELMONT COUNTY

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	General	Marcyl Lewis Memorial Fund	Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Cash Receipts:					
Intergovernmental	\$ 513,655	\$	\$	\$	\$ 513,655
Patron Fines and Fees	11,099				11,099
Gifts, Donations and Contributions	12,289		40	1,771	14,100
Interest	12,438	8,000	13,524	526	34,488
Miscellaneous	4,243				4,243
<i>Total Cash Receipts</i>	<u>553,724</u>	<u>8,000</u>	<u>13,564</u>	<u>2,297</u>	<u>577,585</u>
Cash Disbursements:					
Current:					
Library Services	478,985			681	479,666
Capital Outlay	22,257				22,257
<i>Total Cash Disbursements</i>	<u>501,242</u>	<u>0</u>	<u>0</u>	<u>681</u>	<u>501,923</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>52,482</u>	<u>8,000</u>	<u>13,564</u>	<u>1,616</u>	<u>75,662</u>
<i>Net Change in Fund Balances</i>	52,482	8,000	13,564	1,616	75,662
Fund Balances Beginning of Year	229,455	152,833	259,290	20,890	662,468
Fund Balances End of Year	<u>\$ 281,937</u>	<u>\$ 160,833</u>	<u>\$ 272,854</u>	<u>\$ 22,506</u>	<u>\$ 738,130</u>

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

**ST. CLAIRSVILLE PUBLIC LIBRARY
BELMONT COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
Intergovernmental	\$ 513,816	\$ 513,816	\$ 513,655	\$ (161)
Patron Fines and Fees	10,900	10,900	11,099	199
Contributions, Gift and Donations	4,550	4,550	12,289	7,739
Interest	10,000	10,000	12,438	2,438
Miscellaneous	2,225	2,225	4,243	2,018
<i>Total Receipts</i>	<u>541,491</u>	<u>541,491</u>	<u>553,724</u>	<u>12,233</u>
Disbursements:				
Current:				
Library Services	655,498	604,105	495,630	108,475
Capital Outlay	90,723	105,516	74,912	30,604
<i>Total Disbursements</i>	<u>746,221</u>	<u>709,621</u>	<u>570,542</u>	<u>139,079</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(204,730)	(168,130)	(16,818)	151,312
Other Financing (Uses)				
Other Financing Uses	(10,000)	(600)	0	600
<i>Total Other Financing (Uses)</i>	<u>(10,000)</u>	<u>(600)</u>	<u>0</u>	<u>600</u>
<i>Net Change in Fund Balance</i>	(214,730)	(168,730)	(16,818)	151,912
Fund Balance Beginning of Year	<u>215,215</u>	<u>215,215</u>	<u>215,215</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>14,240</u>	<u>14,240</u>	<u>14,240</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 14,725</u>	<u>\$ 60,725</u>	<u>\$ 212,637</u>	<u>\$ 151,912</u>

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

St. Clairsville Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008 and 2007

Note 1 – Description of the Library and Reporting Entity

The St. Clairsville Public Library (the Library) was organized as a school district public library in 1938 in St. Clairsville, Ohio under the laws of the State of Ohio. The Library has its own Board of Trustees of seven members who are appointed by the St. Clairsville - Richland City School District Board of Education. 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 Sections 3375.33 to 3375.39 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 St. Clairsville - Richland City 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 St. Clairsville - Richland City 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 St. Clairsville - Richland City School District School District.

Component units are legally separate organizations for which the Library is financially accountable. The Library is financially accountable for an organization if the Library appoints a voting majority of the organization's governing board and (1) the Library is able to significantly influence the programs or services performed or provided by the organization; or (2) the Library is legally entitled to or can otherwise access the organization's resources; the Library is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Library is obligated for the debt of the organization. The Library is also financially accountable for any organizations for which the Library approves the budget, the issuance of debt or the levying of taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Library, are accessible to the Library and are significant in amount to the Library. The Library has no component units.

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

As discussed further in Note 2.C, the financial statements of the Library have been prepared on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the *modified* cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The most significant of the Library's accounting policies are described below.

St. Clairsville Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008 and 2007

Note 2 – Summary of Significant Accounting Policies (continued)

A. Basis of Presentation

The Library's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements

The statement of net assets and the statement of activities display information about the Library as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through intergovernmental receipts, patron fines and fees and other nonexchange transactions.

The statement of net assets presents the cash balances of the governmental activities of the Library at year end. The statement of activities compares disbursements with program receipts for each of the Library's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Library is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a modified cash basis or draws from the Library's general receipts.

Fund Financial Statements

During the year, the Library segregates transactions related to certain Library functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Library at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. 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 Library's funds are all classified as governmental.

Governmental Funds

Governmental funds are financed primarily from intergovernmental receipts (e.g., grants), and other nonexchange transactions. Monies are assigned to the various governmental funds according to the purposes for which they may or must be used. The following are the Library's major governmental funds:

General Fund - The General Fund accounts for all financial resources except those required to be accounted for 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.

Marcy Lewis Memorial Fund - This fund accounts for interest earnings and donations received in memory of a deceased individual. The interest earnings and donations are to allow the Library to proceed with plans to expand the Library.

St. Clairsville Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008 and 2007

Note 2 – Summary of Significant Accounting Policies (continued)

Capital Project Fund – This fund accounts for interest earnings and donation receipts restricted to acquiring or constructing major capital projects (except those accounted for in the Marcy Lewis Memorial Fund).

The other governmental funds of the Library account for grants and other resources whose use is restricted to a particular purpose.

C. Basis of Accounting

The Library's basic financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Library's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Library are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

D. Budgetary Process

All funds are legally required to be appropriated. The appropriations resolution is the Trustee's authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the Trustees. The legal level of control has been established at the fund, function level for all funds. Budgetary modifications at the legal level of control may only be made by resolution of the Board of Library Trustees.

For control purposes, the Library estimates cash receipts for the year. These estimated receipts, together with the unencumbered carry-over balances from the prior year, set a limit on the amount the Trustees may appropriate. The estimated receipts may be revised during the year if projected increases or decreases in receipts are identified by the Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts of estimated resources at the time final appropriations were enacted by the Trustees.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations should not exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Trustees during the year.

E. Cash and Cash Equivalents

To improve cash management, cash received by the Library is pooled. Individual fund integrity is maintained through the Library's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents."

Investments with original maturities of three months or less at the time they are purchased and investments of the cash management pool are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

St. Clairsville Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008 and 2007

Note 2 – Summary of Significant Accounting Policies (continued)

E. Cash and Cash Equivalents (Continued)

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 negative receipts, respectively.

During 2008 and 2007, investments were limited to StarOhio.

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2008.

Investment procedures are restricted to the provisions of the Ohio Revised Code. Interest receipts credited to the General Fund during 2008 and 2007 amounted to \$6,136 and \$12,438, respectively.

F. Restricted Assets

Cash and cash equivalents, and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets represent monies restricted for Library renovations or expansion projects. Restricted assets during 2008 and 2007 amounted to \$466,687 and \$456,193, respectively.

G. Accumulated Leave

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

H. Employer Contributions to Cost-Sharing Pension Plans

The Library recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

I. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources associated with the memorial fund. The Statement of Net Assets reports \$466,687 and \$456,193 of restricted net assets for governmental activities for the years ended 2008 and 2007, respectively, of which no monies are restricted by enabling legislation.

The Library's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

St. Clairsville Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008 and 2007

Note 2 – Summary of Significant Accounting Policies (continued)

J. Fund Balance Reserves

The Library reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

K. Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds (and after nonoperating receipts/disbursements in proprietary funds). Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$14,095 and \$69,300 for the General Fund in 2008 and 2007, respectively.

Note 4 – Deposits and Investments

Monies held by the Library are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Library treasury. Active monies must be maintained either as cash in the Library treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Inactive deposits are public deposits that the Board has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

St. Clairsville Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008 and 2007

Note 4 - Deposits and Investments (continued)

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Library can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) above, and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAROhio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Library, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the Library will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2008 and 2007, none of the Library's bank balance was exposed to custodial credit risk.

The Library has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Library or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

St. Clairsville Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008 and 2007

Note 4 - Deposits and Investments (continued)

Deposits (Continued)

At December 31, 2008 and 2007, the Library had \$30 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

Investments

As of December 31, 2008 and 2007, the Library had the following investments:

	<u>2008 Fair Value</u>	<u>2007 Fair Value</u>
STAROhio	\$682,797	\$720,491

Interest Rate Risk. The Library's investment policy addresses interest rate risk to the extent that it allows the fiscal officer to invest funds to a maximum maturity of five years, and allows for the withdrawal of funds from approved public depositories or sale of negotiable instruments prior to maturity. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Library, and that an investment must be purchased with the expectation that it will be held to maturity.

STAROhio carries a rating of AAAM by Standard and Poor's. The Library has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service.

Note 5 – Grants-In-Aid

The primary source of revenue for Ohio public libraries is the Public Library Fund (PLF). The PLF funding is 2.2% of total tax revenue of State of Ohio. The State allocates PLF to each county based on the county's prior intangibles tax of PLF 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.

Note 6 - Risk Management

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2008 and 2007, the Library contracted with Steele Insurance, Inc. for various types of insurance coverage as follows:

• Commercial Property Coverage	\$2,454,360
• Commercial General Liability Coverage	2,000,000
• Commercial Crime Coverage	1,000,000
• Commercial Auto Coverage	1,000,000
• Commercial Personal Property	386,550

Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

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. The System administers and pays all claims.

St. Clairsville Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008 and 2007

Note 6 - Risk Management (Continued)

The Library contracts annually with The Health Plan for employees' health insurance. The Library and most employees share in the cost of the monthly premiums paid.

Note 7 - Defined Benefit Pension Plan

Plan Description - The Library participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2007, members in state and local classifications contributed 9.5% of covered payroll. For the year ended December 31, 2008, members in state and local classifications contributed 10.0% of covered payroll.

The Library's contribution rate for 2007 was 13.85% and for 2008 was 14.0%. For the period January 1 through June 30, a portion of the Library's contribution equal to 5% of covered payroll was allocated to fund the post-employment health care plan; for the period July 1 through December 31, 2007 this amount was increased to 6%. For 2008, 7% of the Library's contribution was allocated to fund the post-employment health care plan. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the Library of 14% for 2007 and 2008.

The Library's required contributions for pension obligations to OPERS for the years ending December 31, 2008 and 2007 were \$37,869 and \$39,640 with the full amounts being contributed for 2008 and 2007.

Note 8 - Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description – OPERS maintains a cost sharing multiple employer defined benefit post-employment health care plan for qualifying members of both the traditional and combined pension plans. Members of the member directed plan do not qualify for ancillary benefits, including post-employment health care. The plan includes a medical plan, a prescription drug program and Medicare Part b premium reimbursement.

To qualify for post-employment health care coverage, age and service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

St. Clairsville Public Library
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008 and 2007

Note 8 - Postemployment Benefits (Continued)

Ohio Public Employees Retirement System (Continued)

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 4642 or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employers fund post-employment health care through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2007, local government employers contributed 13.85% of covered payroll. In 2008, local government employers contributed 14.0% of covered payroll. Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. The amount of the employer contributions which was allocated to fund post-employment health care was 5.00% of covered payroll from January 1 through June 30, 2007, 6.00% from July 1 to December 31, 2007, and 7.00% of covered payroll from January 1, 2008 to December 31, 2008.

The Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan which was effective January 1, 2007. Member and employer contribution rates increased as of, January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

Note 9 – Subsequent Events

The Library is currently involved with litigation with the City of St. Clairsville regarding ownership of the parking lot property.

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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*

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

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Clairsville Public Library, Belmont County, Ohio (the Library), as of and for the years ended December 31, 2008 and 2007, which collectively comprise the Library's basic financial statements and have issued our report thereon dated May 7, 2009, wherein we noted the Library uses a comprehensive accounting basis other than accounting principles generally accepted in the United States of America. We also noted the Library uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Library. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. 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 expressing our opinions on the financial statements, but not to opine 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 control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Library's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Library's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Library's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be 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.

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 the audit committee, management, and the Board of Trustees. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

May 7, 2009



Mary Taylor, CPA
Auditor of State

ST. 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
JUNE 2, 2009