



**WOOD COUNTY DISTRICT PUBLIC LIBRARY
WOOD COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**WOOD COUNTY DISTRICT PUBLIC LIBRARY
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REPORT OF INDEPENDENT ACCOUNTANTS

Wood County District Public Library
251 North Main Street
Bowling Green, Ohio 43402-2477

To the Board of Trustees:

We have audited the accompanying financial statements of Wood County District Public Library (the Library) as of and for the years ended December 31, 1999 and 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 audits 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 audits 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 audits provide a reasonable basis for our opinion.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the 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 June 14, 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, contracts and grants.

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

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

June 14, 2000

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

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Expendable Trust</u>	
Cash Receipts:				
State Income Taxes	\$1,550,263			\$1,550,263
Government Grants-In-Aid		\$11,237		11,237
Patron Fines and Fees	48,452			48,452
Earnings on Investments	23,441		\$142	23,583
Services Provided to Other Libraries	2,303			2,303
Contributions, Gifts and Donations	12,529			12,529
Miscellaneous Receipts	8,040			8,040
	<u>1,645,028</u>	<u>11,237</u>	<u>142</u>	<u>1,656,407</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
Salaries and Benefits	900,135	11,570		911,705
Supplies	40,264	1,950		42,214
Purchased and Contracted Services	244,354	2,560		246,914
Library Materials and Information	286,806	1,234		288,040
Other Objects	10,610			10,610
Debt Service:				
Other Debt Service Payments	8,235			8,235
Capital Outlay	45,893			45,893
	<u>1,536,297</u>	<u>17,314</u>		<u>1,553,611</u>
Total Cash Disbursements				
Total Cash Receipts Over/(Under) Cash Disbursements	108,731	(6,077)	142	102,796
Fund Cash Balances, January 1	378,539	6,077	4,555	389,171
Fund Cash Balances, December 31	<u>\$487,270</u>		<u>\$4,697</u>	<u>\$491,967</u>
Reserves for Encumbrances, December 31	<u>\$71,564</u>			<u>\$71,564</u>

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

**WOOD COUNTY DISTRICT PUBLIC LIBRARY
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES
 NONEXPENDABLE TRUST AND AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	Fiduciary Fund Types		Totals (Memorandum Only)
	Nonexpendable Trust	Agency	
Cash Receipts:			
Earnings on Investments	\$325	\$844	\$1,169
Donations	388		\$388
Miscellaneous Revenue		175,000	175,000
Total Cash Receipts	<u>713</u>	<u>175,844</u>	<u>176,557</u>
Cash Disbursements:			
Salaries and Benefits		8,081	8,081
Library Materials and Information	312		312
Purchased and Contracted Services		133,400	133,400
Total Cash Disbursements	<u>312</u>	<u>141,481</u>	<u>141,793</u>
Net Receipts Over Disbursements	401	34,363	34,764
Fund Cash Balances, January 1	<u>6,061</u>		<u>6,061</u>
Fund Cash Balances, December 31	<u>\$6,462</u>	<u>\$34,363</u>	<u>\$40,825</u>
Reserves for Encumbrances, December 31			

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

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

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Expendable Trusts</u>	
Cash Receipts:				
State Income Taxes	\$1,455,958			\$1,455,958
Government Grants-In-Aid		\$120,982		120,982
Patron Fines and Fees	45,397			45,397
Earnings on Investments	17,236		\$146	17,382
Services Provided to Other Libraries	7,906			7,906
Contributions, Gifts and Donations	7,490			7,490
Miscellaneous Receipts	28,072			28,072
	<u>1,562,059</u>	<u>120,982</u>	<u>146</u>	<u>1,683,187</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
Salaries and Benefits	848,483	14,501		862,984
Supplies	37,549			37,549
Purchased and Contracted Services	205,099	3,023		208,122
Library Materials and Information	222,747	42,840		265,587
Other Objects	10,353			10,353
Debt Service:				
Other Debt Service Payments	24,350			24,350
Capital Outlay	126,343	57,160		183,503
	<u>1,474,924</u>	<u>117,524</u>		<u>1,592,448</u>
Total Cash Disbursements				
Total Cash Receipts Over Cash Disbursements	<u>87,135</u>	<u>3,458</u>	<u>146</u>	<u>90,739</u>
Other Financing Receipts:				
Proceeds of Notes	65,000			65,000
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements	152,135	3,458	146	155,739
Fund Cash Balances, January 1	<u>226,404</u>	<u>2,619</u>	<u>4,409</u>	<u>233,432</u>
Fund Cash Balances, December 31	<u>\$378,539</u>	<u>\$6,077</u>	<u>\$4,555</u>	<u>\$389,171</u>
Reserves for Encumbrances, December 31	<u>\$70,810</u>			<u>\$70,810</u>

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

**WOOD COUNTY DISTRICT PUBLIC LIBRARY
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES
 NONEXPENDABLE TRUST
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	Fiduciary Fund Type
	Nonexpendable Trust
Cash Receipts:	
Earnings on Investments	\$319
Donations	270
Total Cash Receipts	589
Cash Disbursements:	
Library Materials and Information	315
Net Receipts Over Disbursements	274
Fund Cash Balances, January 1	5,787
Fund Cash Balances, December 31	\$6,061
Reserves for Encumbrances, December 31	

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

**WOOD COUNTY DISTRICT PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Wood County District Public Library, Wood 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 is directed by an appointed seven member Board of Trustees. The appointment of the trustees is performed by the Wood County Court of Common Pleas, three members, and the Wood County Commissioners, four members. The Library provides library materials to the general public.

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.

The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

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. Special Revenue Funds

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

**WOOD COUNTY DISTRICT PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

ABLE Grant- This fund receives grant monies to fund the Adult Basic and Literacy Education Programs.

PLOW Grant -This fund receives grant monies to be expended on the automation of the Library.

3. Fiduciary Funds (Trust and Agency Funds)

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

Expendable Trust

Hubbard Endowment Trust Fund - Endowment funds are to be used to purchase books from time to time or an alcove for such books.

Nonexpendable Trust

Wood County Genealogical Society Trust Fund - Received interest from the Genealogical Society Trust for the purchase of Wood County and Northwest Ohio genealogical and family history materials.

Agency

WoodLink Automation Project - Received funds from the Libraries and Local Government Support Fund from the Wood County Auditor's Office to support technology including hardware, software maintenance, and administrative costs for the seven participating libraries.

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 fund, function, and object level of control. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

2. Estimated Resources

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

**WOOD COUNTY DISTRICT PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. Encumbrances

The Ohio Administrative Code requires the Library to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

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 capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation in certain circumstances, such as upon leaving employment. Unpaid vacation is not reflected as a liability under the cash 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 follows:

	<u>1999</u>	<u>1998</u>
Demand deposits	\$6,140	\$35,599
STAR Ohio	<u>526,652</u>	<u>359,633</u>
Total deposits and investments	<u><u>\$532,792</u></u>	<u><u>\$395,232</u></u>

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

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

3. BUDGETARY ACTIVITY

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

**WOOD COUNTY DISTRICT PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,581,544	\$1,645,028	\$63,484
Special Revenue	11,237	11,237	
Fiduciary	175,900	176,699	799
Total	<u>\$1,768,681</u>	<u>\$1,832,964</u>	<u>\$64,283</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,749,336	\$1,607,861	\$141,475
Special Revenue	17,314	17,314	
Fiduciary	176,750	141,793	34,957
Total	<u>\$1,943,400</u>	<u>\$1,766,968</u>	<u>\$176,432</u>

1998 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,407,989	\$1,627,059	\$219,070
Special Revenue	132,130	120,982	(11,148)
Fiduciary	900	735	(165)
Total	<u>\$1,541,019</u>	<u>\$1,748,776</u>	<u>\$207,757</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,522,950	\$1,545,734	(\$22,784)
Special Revenue	73,596	117,524	(43,928)
Fiduciary	1,750	315	1,435
Total	<u>\$1,598,296</u>	<u>\$1,663,573</u>	<u>(\$65,277)</u>

**WOOD COUNTY DISTRICT PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

4. TAX RECEIPTS

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

5. DEBT

The Library signed a \$65,000 commercial promissory note in June of 1998 to purchase the property at 206 North Church Street to be converted into a parking lot for the Library.

Debt outstanding at December 31, 1999 was as follows:

	Principal and Interest	Interest Rate
Promissory Note	\$52,647	4.83%

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	Promissory Note
2000	\$8,235
2001	8,235
2002	8,235
2003	8,235
2004	8,235
2005-2008	11,472
Total	\$52,647

6. RETIREMENT SYSTEM

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

Contribution rates are also prescribed by the Ohio Revised Code. The Library's PERS members contributed 4.25% of their gross salaries and the Board picked up 4.25% 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.

**WOOD COUNTY DISTRICT PUBLIC LIBRARY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

7. RISK MANAGEMENT

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions
- Inland Marine

The Library also provides health insurance and dental coverage to full-time employees through a private carrier.



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

Wood County District Public Library
251 North Main Street
Bowling Green, Ohio 43402-2477

To the Board of Trustees:

We have audited the accompanying financial statements of Wood County District Public Library (the Library) as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated June 14, 2000. We conducted our audits 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, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Library's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we 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 June 14, 2000.

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

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

Jim Petro
Auditor of State

June 14, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

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DISTRICT PUBLIC LIBRARY

WOOD 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
JULY 13, 2000**