



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

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**STATE OF OHIO**



WAY PUBLIC LIBRARY  
WOOD COUNTY

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## REPORT OF INDEPENDENT ACCOUNTANTS

Way Public Library  
Wood County  
101 East Indiana Avenue  
Perrysburg, Ohio 43551-2295

To the Board of Trustees:

We have audited the accompanying financial statements of Way Public Library (the Library) as of and for the years ended December 31, 2001 and December 31, 2000. These financial statements are the responsibility of the Library's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Library as of December 31, 2001 and December 31, 2000, 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 18, 2002 on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the audit committee, management, 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". The signature is stylized with a large, looping initial "J" and a horizontal line extending to the right.

**Jim Petro**  
Auditor of State

June 18, 2002

**WAY PUBLIC LIBRARY  
WOOD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
<b>Cash Receipts:</b>				
Taxes	\$1,212,181			\$1,212,181
Patron Fines and Fees	58,165			58,165
Earnings on Investments	19,766	\$129,600	\$5,172	154,538
Miscellaneous Receipts	17,829	49,127	577	67,533
<b>Total Cash Receipts</b>	<u>1,307,941</u>	<u>178,727</u>	<u>5,749</u>	<u>1,492,417</u>
<b>Cash Disbursements:</b>				
Current:				
Salaries and Benefits	878,612			878,612
Supplies	20,190	6,058	1,788	28,036
Purchased and Contracted Services	110,056	5,448,576	209	5,558,841
Library Materials and Information	245,257		226	245,483
Other Objects	7,615	5,880		13,495
Capital Outlay	1,296	750,443	10,411	762,150
<b>Total Cash Disbursements</b>	<u>1,263,026</u>	<u>6,210,957</u>	<u>12,634</u>	<u>7,486,617</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>44,915</u>	<u>(6,032,230)</u>	<u>(6,885)</u>	<u>(5,994,200)</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Proceeds from Sales of Property		1,721		1,721
Transfers-In		140,000		140,000
Transfers-Out	(140,000)			(140,000)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(140,000)</u>	<u>141,721</u>		<u>1,721</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(95,085)	(5,890,509)	(6,885)	(5,992,479)
Fund Cash Balances, January 1	480,561	6,346,089	119,980	6,946,630
<b>Fund Cash Balances, December 31</b>	<u><b>\$385,476</b></u>	<u><b>\$455,580</b></u>	<u><b>\$113,095</b></u>	<u><b>\$954,151</b></u>
Reserves for Encumbrances, December 31	<u>\$56,952</u>	<u>\$77,557</u>		<u>\$134,509</u>

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

**WAY PUBLIC LIBRARY  
WOOD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
<b>Cash Receipts:</b>				
Taxes	\$1,201,950	\$5,045,000		\$6,246,950
Patron Fines and Fees	54,697			54,697
Earnings on Investments	26,718	471,402	\$7,612	505,732
Miscellaneous Receipts	1,508	40		1,548
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	1,284,873	5,516,442	7,612	6,808,927
<b>Cash Disbursements:</b>				
Current:				
Salaries and Benefits	745,442			745,442
Supplies	17,190		987	18,177
Purchased and Contracted Services	86,973	2,131,940	206	2,219,119
Library Materials and Information	232,862		719	233,581
Other Objects	11,409	3,498		14,907
Capital Outlay	26,507	159,638	378	186,523
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	1,120,383	2,295,076	2,290	3,417,749
Total Cash Receipts Over/(Under) Cash Disbursements	<hr/>	<hr/>	<hr/>	<hr/>
	164,490	3,221,366	5,322	3,391,178
<b>Other Financing Receipts/(Disbursements):</b>				
Proceeds from Sales of Property	2,042			2,042
Transfers-In		80,000		80,000
Transfers-Out	(80,000)			(80,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(77,958)	80,000		2,042
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<hr/>	<hr/>	<hr/>	<hr/>
	86,532	3,301,366	5,322	3,393,220
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>	<hr/>
	394,029	3,044,723	114,658	3,553,410
<b>Fund Cash Balances, December 31</b>	<hr/> <b>\$480,561</b>	<hr/> <b>\$6,346,089</b>	<hr/> <b>\$119,980</b>	<hr/> <b>\$6,946,630</b>
Reserves for Encumbrances, December 31	<hr/>	<hr/>	<hr/>	<hr/>
	\$465,704	\$4,828,563	\$48	\$5,294,315

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

**WAY PUBLIC LIBRARY  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Way Public Library (the Library) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of Ohio. The Library is directed by a six-member Board of Trustees appointed by the Mayor of the City of Perrysburg. The Library provides the community with various educational and literary resources.

The Library's management believes these financial statements present all activities for which the Library is financially accountable, except debt service funds maintained by outside custodians are not included in these financial statements. These activities are described in Note 5 to the financial statements.

**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**

Certificates of deposit are valued at cost. Investments in STAR Ohio are recorded at share values reported by the State Treasurer of Ohio.

**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 Project Funds**

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

*Building Fund* is used to record the proceeds from investments and, occasionally, receive the transfer of surplus monies from the General Fund. These monies are used to pay for equipment and supplies for the Library building.

**WAY PUBLIC LIBRARY  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

*Building Construction Fund* is used to record the revenue from the sale of bonds and the expenditures for the Library's expansion.

*Technology Fund* is used to record surplus monies transferred from the General Fund. Expenditures from this fund are used to replace computer equipment and supplies, as needed.

**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. The Library had the following significant fiduciary funds:

*Way Trust Fund* is used to record interest earned from revenue left by Mr. Willard Way in his will in the late 1800's. Monies from this Fund are expended on local history books, etc., for the Library's local history room.

**E. Budgetary Process**

The Ohio Administrative Code requires budgeting for each fund annually.

**1. Appropriations**

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

**2. Estimated Resources**

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

**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.

Effective January 1, 2001, the Ohio Administrative Code amended library budgetary requirements. Libraries are not required to estimate resources or encumber appropriations.

A summary of 2001 and 2000 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.

**WAY PUBLIC LIBRARY  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**G. Accumulated Leave**

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

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

The Library maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 follows:

	2001	2000
Demand deposits	\$115,410	\$63,999
Certificates of deposit	205	205
Total deposits	115,615	64,204
STAR Ohio	838,536	6,882,426
Total deposits and investments	\$954,151	\$6,946,630

**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 and mutual funds are not evidenced by securities that exist in physical or book-entry form

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2001 and December 31, 2000 follows:

**2001 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,936,586	\$1,459,978	\$476,608
Capital Projects	6,809,089	6,288,514	520,575
Fiduciary	47,348	12,634	34,714
Total	\$8,793,023	\$7,761,126	\$1,031,897

**2000 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,243,339	\$1,286,915	\$43,576
Capital Projects	5,416,000	5,596,442	180,442
Fiduciary	6,000	7,612	1,612
Total	\$6,665,339	\$6,890,969	\$225,630

**WAY PUBLIC LIBRARY  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,369,547	\$1,666,087	(\$296,540)
Capital Projects	8,107,813	7,123,639	984,174
Fiduciary	26,884	2,338	24,546
Total	\$9,504,244	\$8,792,064	\$712,180

For the Fiscal Year ending December 31, 2000, the General Fund had expenditures plus encumbrances exceed appropriations.

**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 based on of any additional revenues the Library receives.

**5. DEBT**

The City of Perrysburg has issued bonds in the amount of \$7,800,000 on behalf of the Way Public Library. The Library has no obligation for repayment.

**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 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 for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Library has paid all contributions required through December 31, 2001.

**7. RISK MANAGEMENT**

**Commercial Insurance**

The Way Public Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability, and
- Errors and omissions.

**WAY PUBLIC LIBRARY  
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**8. JOINTLY GOVERNED ORGANIZATION - WOODLINK**

WoodLink was established by all of the Wood County District libraries for the purpose of having a pool of funds available for events, technology, or other expenditures that benefit all or most of the libraries involved. The pooled money is received from each of the seven libraries involved in the WoodLink program. The percentage of funds to be received from each library was established by the WoodLink Board. That money is taken from the LLGSF funds received by each library from the County and sent to the Wood County District Library, where it is deposited into a separate bank account. The account is maintained by two Wood County District Library main branch employees. The Way Public Library contributed approximately \$39,845 in both 2000 and 2001.

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

Way Public Library  
Wood County  
101 East Indiana Avenue  
Perrysburg, Ohio 43551-2295

To the Board of Trustees:

We have audited the accompanying financial statements of Way Public Library (the Library) as of and for the years ended December 31, 2001 and December 31, 2000, and have issued our report thereon dated June 18, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Library's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Library's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving 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 18, 2002.

Way Public Library  
Wood County  
Report of Independent Accountants on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
Page 2

This report is intended solely for the information and use of the audit committee, management and 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". The signature is fluid and cursive, with a large loop at the end.

**Jim Petro**  
Auditor of State

June 18, 2002



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**WAY 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 30, 2002**