



**WAY PUBLIC LIBRARY
WOOD COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2009



Mary Taylor, CPA
Auditor of State

WAY PUBLIC LIBRARY
WOOD COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter	1
Independent Accountants' Report.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Fund Types - For the Year Ended December 31, 2009.....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Fund Types - For the Year Ended December 31, 2008.....	6
Notes to the Financial Statements	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	13

This page intentionally left blank.



Mary Taylor, CPA
Auditor of State

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

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 29, 2010

This page intentionally left blank.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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, Wood County, (the Library) as of and for the years ended December 31, 2009 and 2008. 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 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 opinion.

As described more fully in Note 1, the Library has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Library's larger (i.e. major) funds separately. While the Library does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The

Auditor of State permits, but does not require libraries to reformat their statements. The Library has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2009 and 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Library as of December 31, 2009 and 2008, or its changes in financial position for the years then ended.

Also, 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 Way Public Library, Wood County, as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Library has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2010, 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.



Mary Taylor, CPA
Auditor of State

July 29, 2010

**WAY PUBLIC LIBRARY
WOOD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	All Fund Types			Totals (Memorandum Only)
	General	Capital Projects	Permanent	
Cash Receipts:				
Property and Other Local Taxes	\$821,827			\$821,827
Library and Local Government Support	907,996			907,996
Intergovernmental	93,991			93,991
Patron Fines and Fees	54,142			54,142
Contributions, Gifts and Donations	3,716			3,716
Earnings on Investments	1,412	\$263	\$269	1,944
Miscellaneous	17,121		55	17,176
	1,900,205	263	324	1,900,792
Total Cash Receipts				
Cash Disbursements:				
Current:				
Salaries	939,774			939,774
Employee Fringe Benefits	293,282			293,282
Purchased and Contractual Services	246,766		3,056	249,822
Library Materials and Information	214,542		126	214,668
Supplies	41,905			41,905
Other	3,931			3,931
Capital Outlay	32,782			32,782
	1,772,982	3,182	1,776,164	1,776,164
Total Cash Disbursements				
Total Receipts Over/(Under) Disbursements	127,223	263	(2,858)	124,628
Other Financing Receipts:				
Sale of Fixed Assets	2,129			2,129
	2,129			2,129
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	129,352	263	(2,858)	126,757
Fund Cash Balances, January 1	381,481	117,996	111,822	611,299
Fund Cash Balances, December 31	\$510,833	\$118,259	\$108,964	\$738,056
Reserve for Encumbrances, December 31	\$173,685	\$685		\$174,370

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 FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	All Fund Types			Totals (Memorandum Only)
	General	Capital Projects	Permanent	
Cash Receipts:				
Property and Other Local Taxes	\$475,133			\$475,133
Library and Local Government Support	1,103,765			1,103,765
Intergovernmental	54,321			54,321
Patron Fines and Fees	61,413			61,413
Contributions, Gifts and Donations	4,652			4,652
Earnings on Investments	10,426	\$2,784	\$2,482	15,692
Miscellaneous	37,559		10	37,569
	1,747,269	2,784	2,492	1,752,545
Total Cash Receipts				
Cash Disbursements:				
Current:				
Salaries	934,396			934,396
Employee Fringe Benefits	293,273			293,273
Purchased and Contractual Services	250,222	48,414	2,850	301,486
Library Materials and Information	236,239		261	236,500
Supplies	35,732			35,732
Other	4,154	45		4,199
Capital Outlay		20,360		20,360
	1,754,016	68,819	3,111	1,825,946
Total Cash Disbursements				
Total Receipts (Under) Disbursements	(6,747)	(66,035)	(619)	(73,401)
Other Financing Receipts				
Sale of Fixed Assets	2,289			2,289
Excess of Cash Receipts and Other Financing Receipts (Under) Cash Disbursements	(4,458)	(66,035)	(619)	(71,112)
Fund Cash Balances, January 1	385,939	184,031	112,441	682,411
Fund Cash Balances, December 31	\$381,481	\$117,996	\$111,822	\$611,299
Reserve for Encumbrances, December 31	\$44,447	\$685		\$45,132

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, 2009 AND 2008**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Way Public Library, Wood County, (the Library) as a body corporate and politic. The City of Perrysburg appoints a six-member Board of Trustees to govern the Library. 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.

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Library recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the Auditor of State prescribes or permits.

C. Deposits and Investments

The Library's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

STAR Ohio is recorded at share values the State reports.

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 reports all financial resources except those required to be accounted for in another fund.

2. Capital Project Funds

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Library had the following significant capital project funds:

**WAY PUBLIC LIBRARY
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

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.

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. Permanent Funds

This fund accounts for assets held under a trust agreement that are legally restricted to the extent that only earnings, not principal, are available to support the Library's programs. The Library had the following significant permanent fund:

Way 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 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.

A summary of 2009 and 2008 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

The Library records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. Equity in Pooled Deposits and Investments

The Library maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

**WAY PUBLIC LIBRARY
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

2. Equity in Pooled Deposits and Investments (Continued)

	2009	2008
Demand deposits	\$7,844	\$7,999
Change Funds	205	205
Money Market Savings Account	454,113	327,961
Total deposits	462,162	336,165
STAR Ohio	275,894	275,134
Total deposits and investments	<u>\$738,056</u>	<u>\$611,299</u>

Deposits: Deposits are 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, 2009 and 2008 follows:

2009 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,004,696	\$1,902,334	(\$102,362)
Capital Projects	3,000	263	(2,737)
Permanent	2,700	324	(2,376)
Total	<u>\$2,010,396</u>	<u>\$1,902,921</u>	<u>(\$107,475)</u>

2009 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,049,143	\$1,946,667	\$102,476
Capital Projects	120,996	685	120,311
Permanent	22,900	3,182	19,718
Total	<u>\$2,193,039</u>	<u>\$1,950,534</u>	<u>\$242,505</u>

2008 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,817,706	\$1,749,558	(\$68,148)
Capital Projects	8,300	2,784	(5,516)
Permanent	5,600	2,492	(3,108)
Total	<u>\$1,831,606</u>	<u>\$1,754,834</u>	<u>(\$76,772)</u>

**WAY PUBLIC LIBRARY
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

3. Budgetary Activity (Continued)

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,879,858	\$1,798,463	\$81,395
Capital Projects	191,569	69,504	122,065
Permanent	21,900	3,111	18,789
Total	\$2,093,327	\$1,871,078	\$222,249

4. Grants-In-Aid and Tax Receipts

The primary source of revenue for Ohio public libraries is the Public Library Fund (PLF). 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 any additional revenues the Library receives.

Real property taxes become a lien on January 1 preceding the October 1 date for which the taxing authority of the subdivision to whose jurisdiction the Library is subject adopts rates. The State Department of Taxation, Division of Tax Equalization, adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Other Governments' Grants In Aid. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

Property owners assess tangible personal property tax. These owners must file a list of tangible property to the County by each April 30.

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

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 Library's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, OPERS members contributed 10% of their gross salaries and the Library contributed an amount equaling 14% of participants' gross salaries. Effective January 1, 1987, the Library Board of Trustees designated a

**WAY PUBLIC LIBRARY
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

6. Retirement System (Continued)

portion of each employees' mandatory contributions to the OPERS as "picked up" by the Board as stipulated in the Internal Revenue Service Rulings 77-462 and 81-36, although they shall continue to be designated as employee contributions as permitted by Attorney General Opinion 82-097.

After January 1, 2008, employees working less than half-time (18¾ hours per week) contribute 10 percent of their annual compensation with the Library contributing 14 percent of the employees' gross wages in 2009 and 2008. Employees working more than half-time, contribute 5.00 percent of their annual compensation with the Library contributing 19 percent of the employees' gross wages in 2009 and 2008. The Library has paid all contributions required through December 31, 2009.

7. Risk Management

Commercial Insurance

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

Self Insurance

The Library is also self insured for the employees' health insurance deductible effective December 1, 2002. The deductible was \$250 in 2009 and 2008. The Administrator for this is Service Organization, Inc.

8. Jointly Governed Organization – Woodlink

WoodLink was established by all of the Wood County Public 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 libraries involved in the WoodLink program. The percentage of funds to be received from each library was established by the WoodLink Board. The money is deducted from PLF funds received by each library and sent to the Wood County District Library, the fiscal agent, where it is deposited into a separate bank account. The Way Public Library contributed \$26,208 in 2009 and \$22,820 in 2008.

9. Related Organization

The Way Public Library Foundation was established in 1991 and the Trustees consist of a board member and the Director of the Way Public Library with the remaining Trustees appointed by the Way Public Library Board of Trustees.

This page intentionally left blank.



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*

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

To the Board of Trustees:

We have audited the financial statements of Way Public Library, Wood County (the Library) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated July 29, 2010 wherein we noted the Library followed accounting practices the Auditor of State prescribes rather 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 because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. 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 the purpose of expressing our opinion on the financial statements, but not for the purpose of opining 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Library's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 management, the audit committee, the Board of Trustees and others within the Library. We intend it for no one other than these specified parties.

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

Mary Taylor, CPA
Auditor of State

July 29, 2010



Mary Taylor, CPA
Auditor of State

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
AUGUST 17, 2010**