



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**WILLIAMS COUNTY PUBLIC LIBRARY
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REPORT OF INDEPENDENT ACCOUNTANTS

Williams County Public Library
107 East High Street
Bryan, Ohio 43506-1702

To the Board of Trustees:

We have audited the accompanying financial statements of the Williams County 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 audits.

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 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 August 10, 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

August 10, 2000

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**WILLIAMS COUNTY 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>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:					
Property and Other Local Taxes	\$1,183,188				\$1,183,188
Patron Fines and Fees	30,207				30,207
Earnings on Investments	16,099				16,099
Contributions, Gifts and Donations	9,397		\$87,151		96,548
Miscellaneous Receipts	14,063	\$220			14,283
 Total Cash Receipts	<u>1,252,954</u>	<u>220</u>	<u>87,151</u>		<u>1,340,325</u>
Cash Disbursements:					
Current:					
Salaries and Benefits	745,484				745,484
Supplies	65,808				65,808
Purchased and Contracted Services	192,639	100	44,688		237,427
Library Materials & Information	142,516			\$1,741	144,257
Other Objects	10,168				10,168
Capital Outlay	37,388		7,476		44,864
 Total Cash Disbursements	<u>1,194,003</u>	<u>100</u>	<u>52,164</u>	<u>1,741</u>	<u>1,248,008</u>
 Total Cash Receipts Over/(Under) Cash Disbursements	58,951	120	34,987	(1,741)	92,317
 Fund Cash Balances, January 1	<u>176,796</u>	<u>518</u>	<u>99,658</u>	<u>1,961</u>	<u>278,933</u>
 Fund Cash Balances, December 31	<u>\$235,747</u>	<u>\$638</u>	<u>\$134,645</u>	<u>\$220</u>	<u>\$371,250</u>
 Reserves for Encumbrances, December 31	<u>\$103,749</u>	<u>\$7</u>			<u>\$103,756</u>

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

**WILLIAMS COUNTY 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>	Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:					
Property and Other Local Taxes	\$1,083,998				\$1,083,998
Other Government Grants-In-Aid		\$9,581			9,581
Patron Fines and Fees	22,066				22,066
Earnings on Investments	11,381			\$1,303	12,684
Contributions, Gifts and Donations	42,751		\$29,608		72,359
Miscellaneous Receipts	8,649	94			8,743
	<u>1,168,845</u>	<u>9,675</u>	<u>29,608</u>	<u>1,303</u>	<u>1,209,431</u>
Cash Disbursements:					
Current:					
Salaries and Benefits	764,181				764,181
Supplies	41,951				41,951
Purchased and Contracted Services	181,314	43			181,357
Library Materials & Information	74,833	3		14,302	89,138
Other Objects	9,037				9,037
Capital Outlay	19,278	12,786	39,402		71,466
	<u>1,090,594</u>	<u>12,832</u>	<u>39,402</u>	<u>14,302</u>	<u>1,157,130</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>78,251</u>	<u>(3,157)</u>	<u>(9,794)</u>	<u>(12,999)</u>	<u>52,301</u>
Other Financing Receipts/(Disbursements):					
Transfers-In		3,194			3,194
Transfers-Out			(3,194)		(3,194)
		<u>3,194</u>	<u>(3,194)</u>		
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	78,251	37	(12,988)	(12,999)	52,301
Fund Cash Balances, January 1	98,545	481	112,646	14,960	226,632
Fund Cash Balances, December 31	<u>\$176,796</u>	<u>\$518</u>	<u>\$99,658</u>	<u>\$1,961</u>	<u>\$278,933</u>
Reserves for Encumbrances, December 31	<u>\$112,116</u>	<u>\$50</u>	<u>\$967</u>	<u>\$1,741</u>	<u>\$114,874</u>

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Williams County 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 the State of Ohio. The Library is directed by a seven-member Board of Trustees appointed by the Williams County Board of Commissioners. 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. 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. The limited partnership interest is valued at its fair value on the date received. 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:

Photographic Archives Fund - This fund accounts for monies collected from patrons for purchases of historic photographs and reprints. The funds collected are disbursed to an outside vendor who does the reprint work.

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

Library Services Technology Act Grant Fund - This fund accounts for grant monies received from the State Library Board. Disbursements of these funds are to be made to purchase computer systems and related equipment.

3. 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 fund:

Bryan Fund - This fund is maintained for future equipment, material purchases and future building repairs. Also, collections and disbursements associated with the future building renovation are accounted for in this fund.

4. 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 fund:

Rotary - American Brands Fund - This fund accounts for the proceeds from the sale of stock donated to the Library. The proceeds were used to purchase books.

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.

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 re-appropriated.

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

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

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 Personal Leave

Employees are entitled to cash payments for unused vacation and personal leave in certain circumstances, such as upon leaving employment. Unpaid vacation and personal leave are not reflected as liabilities 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	\$55,528	\$74,520
Certificates of deposit	100,000	100,000
Total deposits	155,528	174,520
Limited Partnership Interest	220	220
STAR Ohio	215,202	103,893
Total investments	215,422	104,113
Total deposits and investments	370,950	278,633
Cash on hand	300	300
Total cash and investments	\$371,250	\$278,933

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by the financial institution's public entity deposit pool.

Investments: The limited partnership interest was given to the Library as a gift. 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 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,197,697	\$1,252,954	\$55,257
Special Revenue	150	220	70
Capital Projects	86,856	87,151	295
Fiduciary	50		(50)
Total	\$1,284,753	\$1,340,325	\$55,572

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

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,361,097	\$1,297,752	\$63,345
Special Revenue	450	107	343
Capital Projects	186,514	52,164	134,350
Fiduciary	1,741	1,741	
Total	<u>\$1,549,802</u>	<u>\$1,351,764</u>	<u>\$198,038</u>

1998 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,158,957	\$1,168,845	\$9,888
Special Revenue	12,775	12,869	94
Capital Projects	32,500	29,608	(2,892)
Fiduciary	7,217	1,303	(5,914)
Total	<u>\$1,211,449</u>	<u>\$1,212,625</u>	<u>\$1,176</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,257,502	\$1,202,710	\$54,792
Special Revenue	13,299	12,882	417
Capital Projects	145,146	43,563	101,583
Fiduciary	17,008	16,043	965
Total	<u>\$1,432,955</u>	<u>\$1,275,198</u>	<u>\$157,757</u>

4. GRANTS-IN-AID AND 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

Debt outstanding at December 31, 1999 was an installment contract with Casebere Motors for the purchase of a van in 1995 for use by the Library. The installment contract is for four years beginning in 1997, and the interest percentage on the contract is 8.4%. The total contract amount was \$21,140.16 and will be repaid in monthly installments of \$440.42 over four years. One payment of \$5,285 including principal and interest is remaining for the fiscal year ending December 31, 2000.

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

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 8.5% of their gross salaries. The Library contributed an amount equal to 13.55% of participants' gross salaries. The Library has paid all contributions required through December 31, 1999.

7. RISK MANAGEMENT

The Library has obtained commercial insurance for the following risks:

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

The Library also provides health insurance 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

Williams County Public Library
107 East High Street
Bryan, Ohio 43506-1702

To the Board of Trustees:

We have audited the accompanying financial statements of the Williams County Public Library (the Library) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated August 10, 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. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the Library in a separate letter dated August 10, 2000.

Internal Control Over Financial Reporting

In planning and performing our audits, 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 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 August 10, 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". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

August 10, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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WILLIAMS COUNTY PUBLIC LIBRARY

WILLIAMS 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 29, 2000**