



Dave Yost • Auditor of State

**WOOD COUNTY DISTRICT PUBLIC LIBRARY
WOOD COUNTY**

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Dave Yost • Auditor of State

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

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.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

November 9, 2012

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Trustees:

We have audited the accompanying financial statements of the Wood County District Public Library, Wood County, Ohio (the Library), as of and for the years ended December 31, 2011 and 2010. 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. 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, 2011 and 2010 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, 2011 and 2010, 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 as of December 31, 2011 and 2010 and the reserves for encumbrances as of December 31, 2010 of Wood County District Public Library, Wood County, Ohio, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As described in Note 1F, during 2011 the Library adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2012, 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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State

November 9, 2012

**WOOD COUNTY DISTRICT PUBLIC LIBRARY
WOOD COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	General	Permanent	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$927,141		\$927,141
Public Library	1,327,132		1,327,132
Intergovernmental	113,467		113,467
Patron Fines and Fees	52,604		52,604
Services Provided to Other Entities	2,000		2,000
Contributions, Gifts and Donations	111,268	\$4,070	115,338
Earnings on Investments	4,772	12	4,784
Miscellaneous	4,529		4,529
<i>Total Cash Receipts</i>	<u>2,542,913</u>	<u>4,082</u>	<u>2,546,995</u>
Cash Disbursements			
Current:			
Library Services	1,490,763		1,490,763
Capital Outlay	96,947		96,947
Debt Service:			
Principal Retirement	43,412		43,412
Interest and Fiscal Charges	35,868		35,868
<i>Total Cash Disbursements</i>	<u>1,666,990</u>		<u>1,666,990</u>
<i>Net Change in Fund Cash Balances</i>	875,923	4,082	880,005
<i>Fund Cash Balances, January 1</i>	<u>288,986</u>	<u>16,787</u>	<u>305,773</u>
Fund Cash Balances, December 31			
Nonspendable		20,824	20,824
Assigned	22,922	45	22,967
Unassigned	1,141,987		1,141,987
<i>Fund Cash Balances, December 31</i>	<u>\$1,164,909</u>	<u>\$20,869</u>	<u>\$1,185,778</u>

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

**WOOD COUNTY DISTRICT PUBLIC LIBRARY
WOOD COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCE (CASH BASIS)
AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

Operating Cash Receipts	
Services Provided to Other Entities	\$100,000
Earnings on Investments	14
Miscellaneous	<u>1,000</u>
<i>Total Operating Cash Receipts</i>	<u>101,014</u>
Operating Cash Disbursements	
Salaries	8,966
Employee Fringe Benefits	1,255
Purchased and Contracted Services	83,300
Library Materials and Information	<u>3,400</u>
<i>Total Operating Cash Disbursements</i>	<u>96,921</u>
<i>Net Change in Fund Cash Balance</i>	4,093
<i>Fund Cash Balance, January 1</i>	<u>22,827</u>
<i>Fund Cash Balance, December 31</i>	<u><u>\$26,920</u></u>

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

**WOOD COUNTY DISTRICT PUBLIC LIBRARY
WOOD COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	General	Special Revenue	Permanent	Totals (Memorandum Only)
Cash Receipts:				
Library and Local Government Support	\$1,268,184			1,268,184
Patron Fines and Fees	51,483			51,483
Services Provided to Other Entities	1,900			1,900
Contributions, Gifts and Donations	137,367		\$972	138,339
Earnings on Investments	2,019		17	2,036
Miscellaneous	19,307			19,307
<i>Total Cash Receipts</i>	<u>1,480,260</u>		<u>989</u>	<u>1,481,249</u>
Cash Disbursements:				
Current:				
Salaries	712,715			712,715
Employee Fringe Benefits	172,902			172,902
Purchased and Contractual Services	226,155			226,155
Library Materials and Information	145,145	\$61		145,206
Supplies	19,289			19,289
Other	12,701			12,701
Capital Outlay	45,205			45,205
Debt Service:				
Redemption of Principal	40,015			40,015
Interest and Other Fiscal Charges	40,231			40,231
<i>Total Cash Disbursements</i>	<u>1,414,358</u>	<u>61</u>		<u>1,414,419</u>
<i>Net Change in Fund Cash Balances</i>	<u>65,902</u>	<u>(61)</u>	<u>989</u>	<u>66,830</u>
<i>Fund Cash Balances, January 1</i>	<u>223,084</u>	<u>61</u>	<u>15,798</u>	<u>238,943</u>
<i>Fund Cash Balances, December 31</i>	<u>\$288,986</u>	<u>\$16,787</u>		<u>\$305,773</u>
<i>Reserve for Encumbrances, December 31</i>	<u>\$61,898</u>			<u>\$61,898</u>

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

**WOOD COUNTY DISTRICT PUBLIC LIBRARY
WOOD COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCE (CASH BASIS)
AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

Operating Cash Receipts	
Services Provided to Other Entities	\$100,000
Earnings on Investments	24
Miscellaneous	1,000
	<hr/>
<i>Total Operating Cash Receipts</i>	<i>101,024</i>
	<hr/>
Operating Cash Disbursements	
Salaries	8,966
Employee Fringe Benefits	1,255
Purchased and Contracted Services	98,600
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<i>Total Operating Cash Disbursements</i>	<i>108,821</i>
	<hr/>
<i>Net Change in Fund Cash Balance</i>	<i>(7,797)</i>
	<hr/>
<i>Fund Cash Balance, January 1</i>	<i>30,624</i>
	<hr/>
<i>Fund Cash Balance, December 31</i>	<i>\$22,827</i>
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The notes to the financial statements are an integral part of this statement.

**WOOD COUNTY DISTRICT PUBLIC LIBRARY
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010**

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 Wood County District Public Library, Wood County, Ohio (the Library), as a body corporate and politic. The Library is directed by a seven-member Board of Trustees appointed by the Wood County Court of Common Pleas (3 members) and the Wood County Commissioners (4 members). 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 (the State Treasurer's Investment Pool) is recorded at share values of the pool.

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. Special Revenue Fund

This fund accounts for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Library had the following significant Special Revenue Fund:

Hubbard Endowment Trust Fund is used to purchase books from time to time or for an alcove for such books.

**WOOD COUNTY DISTRICT PUBLIC LIBRARY
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

3. Permanent Fund

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:

Wood County Genealogical Society Trust Fund is used to record interest earned from revenue it receives from the Wood County Genealogical Society. Interest earnings are used to purchase materials for the local history department.

4. Agency Fund

Woodlink Automation Project receives funds from participating Wood County Public Libraries to create and maintain a web-based online catalog and countywide circulation system.

E. Budgetary Process

The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end. Budgetary may not exceed appropriations at the fund, function, and object level of control.

A summary of 2011 and 2010 budgetary activity appears in Note 3.

F. Fund Balance

For 2011, the Library has implemented GASB Statement No. 54 "*Fund Balance Reporting and Governmental Fund Type Definitions*". GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. GASB Statement No. 54 also clarifies the definition of governmental fund types. The implementation on GASB Statement No. 54 did not have an effect on the previously reported fund balances.

For December 31, 2011, fund balance is divided into five classifications based primarily on the extent to which the Library must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Nonspendable

The Library classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**WOOD COUNTY DISTRICT PUBLIC LIBRARY
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

3. Committed

Trustees can *commit* amounts via formal action (resolution). The Library must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Library Trustees or a Library official delegated that authority by resolution, or by State Statute.

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Library applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

G. 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.

H. 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.

**WOOD COUNTY DISTRICT PUBLIC LIBRARY
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

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:

	2011	2010
Demand deposits	\$43,781	\$72,313
Other time deposits (savings and NOW accounts)	1,118,301	213,844
Total deposits	1,162,082	286,157
STAR Ohio	50,616	42,443
Total deposits and investments	\$1,212,698	\$328,600

Deposits: Deposits are insured by the Federal Depository Insurance Corporation; the National Credit Union Administration; Excess Share Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

At December 31, 2011, \$618,823 of deposits were not insured or collateralized, contrary to Ohio law.

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, 2011 and 2010 follows:

2011 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,349,869	\$2,542,913	\$193,044
Permanent	1,000	4,082	3,082
Total	\$2,350,869	\$2,546,995	\$196,126

2011 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,094,994	\$1,689,912	\$405,082
Permanent	500	500	500
Total	\$2,095,494	\$1,689,912	\$405,582

**WOOD COUNTY DISTRICT PUBLIC LIBRARY
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

3. Budgetary Activity (Continued)

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,317,506	\$1,480,260	\$162,754
Permanent	1,000	989	(11)
Total	\$1,318,506	\$1,481,249	\$162,743

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,494,597	\$1,476,256	\$18,341
Special Revenue	61	61	
Permanent	500		500
Total	\$1,495,158	\$1,476,317	\$18,841

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 total tax revenue credited to the State's general revenue fund during the preceding month. The County Budget Commission bases the amount for distribution on the needs of such library for the construction of new library buildings, parts of buildings, improvements, operation, maintenance, or other expenses. The County Budget Commission cannot reduce its allocation of these funds to the Library based on of 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.

**WOOD COUNTY DISTRICT PUBLIC LIBRARY
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

5. Debt

Debt outstanding at December 31, 2011 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
212 North Church Street Note	\$119,634	3.20%
Capital Projects Promissory Note	325,674	4.74%
Parking Lot Promissory Note	<u>293,968</u>	2.78%
Total	<u><u>\$739,276</u></u>	

The Library's North Church Street note was used for the purchase of property on North Church Street. The Capital Projects Promissory note was a draw down loan used to finance the building renovation project and the purchase of an additional property to be used for parking. The Parking Lot Promissory Note was used to complete the parking lot.

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

	212 North Church Street Note	Capital Projects Promissory Note	Parking Lot Promissory Note
Year ending December 31:			
2012	\$15,795	\$35,766	\$23,640
2013	15,795	35,766	23,640
2014	15,795	35,766	23,640
2015	15,795	35,766	23,640
2016	15,795	35,766	233,751
2017-2021	42,739	178,830	
2022-2023		71,532	
Total	<u><u>\$121,714</u></u>	<u><u>\$429,192</u></u>	<u><u>\$328,311</u></u>

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 2011 and 2010, OPERS members contributed 10% of their gross salaries and the Library contributed an amount equaling 14% of participants' gross salaries. The Library has paid all contributions required through December 31, 2011.

7. Risk Management

Risk Pool Membership

Prior to 2009, the Library belonged to the Ohio Government Risk Management Plan (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan was legally separate from its member governments.

**WOOD COUNTY DISTRICT PUBLIC LIBRARY
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

7. Risk Management (Continued)

On January 1, 2009, through an internal reorganization, the Plan created three separate non-profit corporations including:

- Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Risk Management Plan;
- Ohio Plan Healthcare Consortium, Inc. (OPHC) - formerly known as the Ohio Healthcare Consortium; and
- Ohio Plan, Inc. - mirrors the oversight function previously performed by the Board of Directors. The Board of Trustees consists of eleven (11) members that include appointed and elected officials from member organizations.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio. These coverage programs, referred to as Ohio Plan Risk management ("OPRM"), are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retains 40% (17.5% through October 31, 2010 and 15% through October 31, 2009) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 761 and 725 members as of December 31, 2010 and 2009 respectively. The Library participates in this coverage.

The Plan formed the Ohio Plan Healthcare Consortium ("OPHC"), as authorized by Section 9.833 of the Ohio Revised Code. The OPHC was established to provide cost effective employee benefit programs for Ohio political sub-divisions and is a self-funded, group purchasing consortium that offers medical, dental, vision and prescription drug coverage as well as life insurance for its members. The OPHC is sold through seventeen appointed independent agents in the State of Ohio. Coverage programs are developed specific to each member's healthcare needs and the related premiums for coverage are determined through the application of uniform underwriting criteria. Variable plan options are available to members. These plans vary primarily by deductibles, coinsurance levels, office visit co-pays and out-of pocket maximums. OPHC had 65 and 60 members as of December 31, 2010 and 2009 respectively. The Library does not participate in this coverage.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31: 2010 and 2009 (the latest information available), and include amounts for both OPRM and OPHC:

**WOOD COUNTY DISTRICT PUBLIC LIBRARY
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

7. Risk Management (Continued)

	2010		2009	
	OPRM	OPHC	OPRM	OPHC
Assets	\$12,036,541	\$1,355,131	\$11,176,186	\$1,358,802
Liabilities	(4,845,056)	(1,055,096)	(4,852,485)	(1,253,617)
Members' Equity	<u>\$7,191,485</u>	<u>\$300,035</u>	<u>\$6,323,701</u>	<u>\$105,185</u>

You can read the complete audited financial statements for OPRM and OPHC at the Plan's website, www.ohioplan.org.

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 LLGSF 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 Wood County District Public Library contributed \$36,604 in 2011 and \$36,604 in 2010.

9. Contingent Liabilities

Amounts grantor agencies pay to the Library are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

To the Board of Trustees:

We have audited the financial statements of Wood County District Public Library, Wood County, Ohio (the Library), as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated November 9, 2012 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 and in 2011 the Library adopted Government Accounting Standards Board Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. 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 opinions 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 an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as finding number 2011-001.

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The Library's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Library's response and, accordingly, we express no opinion on it.

We intend this report solely for the information and use of management, the finance 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 "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

November 9, 2012

WOOD COUNTY DISTRICT PUBLIC LIBRARY
WOOD COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2011 AND 2010

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2011-001

Ohio Revised Code, §135.18, provides that the treasurer of a political subdivision must require the depository to provide security equal to the funds on deposit at all times. Security may consist of federal deposit insurance, surety company bonds, or pledged securities. **Ohio Revised Code, §135.03**, provides that any national bank, any bank doing business under authority granted by the superintendent of financial institutions and any federal savings association, any savings and loan association or saving bank and loan association is eligible to become a public depository. The Library had \$1,118,823 in Glass City Federal Credit Union (the Credit Union) of which \$618,823 is not covered by the Credit Union's insurance nor is this amount secured by surety company bonds or pledged securities. The Credit Union is not eligible to become a public depository. To protect the Library's funds we recommend the Fiscal Officer transfer the funds in the Credit Union to a financial institution that qualifies as a depository and can provide enough collateral to cover the deposits above federal deposit insurance.

Officials' Response:

On October 30, 2012, the Fiscal Officer closed out the account at the Credit Union.

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Dave Yost • Auditor of State

WOOD COUNTY 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
DECEMBER 4, 2012