



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

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**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, 2001 and 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 audits.

We conducted our audits 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 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, 2001 and 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 12, 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 audits.

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". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

**Jim Petro**  
Auditor of State

June 12, 2002

**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, 2001**

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Expendable Trust	
<b>Cash Receipts:</b>					
Other Government Grants-In-Aid	\$1,295,370				\$1,295,370
Patron Fines and Fees	36,934				36,934
Earnings on Investments	26,882				26,882
Contributions, Gifts and Donations	6,045		\$968		7,013
Miscellaneous Receipts	16,069	\$27			16,096
<b>Total Cash Receipts</b>	<b>1,381,300</b>	<b>27</b>	<b>968</b>		<b>1,382,295</b>
<b>Cash Disbursements:</b>					
Current:					
Salaries and Benefits	865,321				865,321
Supplies	49,955				49,955
Purchased and Contracted Services	182,301	7			182,308
Library Material and Information	191,264				191,264
Other Objects	10,895				10,895
Capital Outlay	81,429				81,429
<b>Total Cash Disbursements</b>	<b>1,381,165</b>	<b>7</b>			<b>1,381,172</b>
Total Cash Receipts Over Cash Disbursements	135	20	968		1,123
Fund Cash Balances, January 1	318,357	837	230,662	220	550,076
<b>Fund Cash Balances, December 31</b>	<b>\$318,492</b>	<b>\$857</b>	<b>\$231,630</b>	<b>\$220</b>	<b>\$551,199</b>
Reserves for Encumbrances, December 31	\$33,273				\$33,273

*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, 2000**

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Expendable Trust	
<b>Cash Receipts:</b>					
Other Government Grants-In-Aid	\$1,275,177				\$1,275,177
Patron Fines and Fees	34,227				34,227
Earnings on Investments	24,243				24,243
Contributions, Gifts and Donations	4,858	\$15	\$96,017		100,890
Miscellaneous Receipts	8,907	303			9,210
<b>Total Cash Receipts</b>	<b>1,347,412</b>	<b>318</b>	<b>96,017</b>		<b>1,443,747</b>
<b>Cash Disbursements:</b>					
Current:					
Salaries and Benefits	781,067				781,067
Supplies	52,267				52,267
Purchased and Contracted Services	188,451	119			188,570
Library Material and Information	187,572				187,572
Debt Service	4,756				4,756
Other Objects	12,942				12,942
Capital Outlay	37,747				37,747
<b>Total Cash Disbursements</b>	<b>1,264,802</b>	<b>119</b>			<b>1,264,921</b>
Total Cash Receipts Over Cash Disbursements	82,610	199	96,017		178,826
Fund Cash Balances, January 1	235,747	638	134,645	220	371,250
<b>Fund Cash Balances, December 31</b>	<b>\$318,357</b>	<b>\$837</b>	<b>\$230,662</b>	<b>\$220</b>	<b>\$550,076</b>
Reserves for Encumbrances, December 31	\$46,062				\$46,062

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



**WILLIAMS COUNTY PUBLIC LIBRARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2001 AND 2000**

**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 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 Fund:

*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, 2001 AND 2000  
(Continued)**

**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:

*Capital Improvements Fund* – This fund is maintained for future equipment and material purchases and future building repairs.

**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 funds

*Carlyle Donated Stock Fund* – This fund accounts for the proceeds from the sale of stock which was donated to the Library. The proceeds were used to purchase books.

**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, function, and object 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.

**WILLIAMS COUNTY PUBLIC LIBRARY**

**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	<u>\$9,549</u>	<u>\$89,254</u>
Certificates of deposit	100,000	100,000
Total deposits	<u>109,549</u>	<u>189,254</u>
STAR Ohio	441,130	360,302
Limited Partnership Interest	<u>220</u>	<u>220</u>
Total investments	441,350	360,522
Cash on Hand	<u>300</u>	<u>300</u>
Total cash, deposits, and investments	<u><u>\$551,199</u></u>	<u><u>\$550,076</u></u>

**Deposits:** Deposits are either insured by the Federal Depository Insurance Corporation, or collateralized by securities specifically pledged by the financial institution to the Library

**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, 2001 and 2000 follows:

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,439,277	\$1,414,438	\$24,839
Special Revenue	400	7	393
Capital Projects	230,335		230,335
Total	<u>\$1,670,012</u>	<u>\$1,414,445</u>	<u>\$255,567</u>

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,282,361	\$1,347,412	\$65,051
Special Revenue	150	318	168
Capital Projects	20,000	96,017	76,017
Total	<u>\$1,302,511</u>	<u>\$1,443,747</u>	<u>\$141,236</u>

**WILLIAMS COUNTY PUBLIC LIBRARY**

**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	\$1,518,109	\$1,310,864	\$207,245
Special Revenue	407	119	288
Capital Projects	154,645		154,645
Total	<u>\$1,673,161</u>	<u>\$1,310,983</u>	<u>\$362,178</u>

**4. GRANTS-IN-AID**

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. 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.

**6. RISK MANAGEMENT**

**Commercial Insurance**

The Library has obtained commercial insurance for the following risks:

- Property;
- General liability;
- Crime;
- Glass and sign; and
- Business auto.

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, 2001 and 2000, and have issued our report thereon dated June 12, 2002. We conducted our audits 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 audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

**Internal Control Over Financial Reporting**

In planning and performing our 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 June 12, 2002.

This report is intended solely for the information and use of 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 stylized with a large, looping initial "J" and a cursive "Petro".

**Jim Petro**  
Auditor of State

June 12, 2002



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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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  
JULY 16, 2002**