



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**WOOD COUNTY DISTRICT PUBLIC LIBRARY
WOOD COUNTY**

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STATE OF OHIO
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REPORT OF INDEPENDENT ACCOUNTANTS

Wood County District Public Library
Wood County
251 North Main Street
Bowling Green, Ohio 43402-2477

To the Board of Trustees:

We have audited the accompanying financial statements of Wood County District 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 audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Library as of December 31, 2001 and 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 May 10, 2002 on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the management, Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

Jim Petro
Auditor of State

May 10, 2002

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**WOOD COUNTY DISTRICT PUBLIC LIBRARY
WOOD COUNTY**

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

| | <u>Governmental Fund Types</u> | | |
|--|--------------------------------|----------------------------|-----------------------------|
| | <u>General</u> | <u>Special Revenue</u> | <u>Capital Projects</u> |
| Cash Receipts: | | | |
| Property and Other Local Taxes | \$1,686,921 | | |
| Other Government Grants-In-Aid | | \$9,938 | |
| Patron Fines and Fees | 46,993 | | |
| Earnings on Investments | 23,170 | | \$4,836 |
| Services Provided to Other Entities | 3,042 | | |
| Contributions, Gifts and Donations | 15,107 | 18,358 | |
| Miscellaneous Receipts | 20,745 | | |
| | <hr/> | <hr/> | <hr/> |
| Total Cash Receipts | 1,795,978 | 28,296 | 4,836 |
| | <hr/> | <hr/> | <hr/> |
| Cash Disbursements: | | | |
| Current: | | | |
| Salaries and Benefits | 1,007,331 | | |
| Purchased and Contracted Services | 529,578 | 4,019 | |
| Supplies and Materials | 14,834 | | |
| Other Objects | 324,326 | | |
| Debt Service Payments | 14,898 | | |
| Capital Outlay | 207,689 | 20,671 | |
| | <hr/> | <hr/> | <hr/> |
| Total Cash Disbursements | 2,098,656 | 24,690 | |
| | <hr/> | <hr/> | <hr/> |
| Total Cash Receipts Over/(Under) Cash Disbursements | (302,678) | 3,606 | 4,836 |
| | <hr/> | <hr/> | <hr/> |
| Other Financing Receipts/(Disbursements): | | | |
| Proceeds of Bonds | | | 4,950,000 |
| Proceeds of Notes | 199,600 | | |
| | <hr/> | <hr/> | <hr/> |
| Total Other Financing Receipts/(Disbursements) | 199,600 | | 4,950,000 |
| | <hr/> | <hr/> | <hr/> |
| Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements | (103,078) | 3,606 | 4,954,836 |
| | <hr/> | <hr/> | <hr/> |
| Fund Cash Balances, January 1 | 494,985 | | |
| | <hr/> | <hr/> | <hr/> |
| Fund Cash Balances, December 31 | \$391,907 | \$3,606 | \$4,954,836 |
| | <hr/> | <hr/> | <hr/> |
| Reserves for Encumbrances, December 31 | \$63,222 | \$3,606 | |
| | <hr/> | <hr/> | <hr/> |

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

| <u>Fiduciary Fund Type</u> | <u>Totals (Memorandum Only)</u> |
|--------------------------------|---|
| <u>Expendable Trust</u> | |
| | \$1,686,921 |
| | 9,938 |
| | 46,993 |
| \$141 | 28,147 |
| | 3,042 |
| | 33,465 |
| | 20,745 |
| <u>141</u> | <u>1,829,251</u> |
| | 1,007,331 |
| | 533,597 |
| | 14,834 |
| | 324,326 |
| | 14,898 |
| | 228,360 |
| | <u>2,123,346</u> |
| <u>141</u> | <u>(294,095)</u> |
| | 4,950,000 |
| | 199,600 |
| | <u>5,149,600</u> |
| 141 | 4,855,505 |
| <u>4,882</u> | <u>499,867</u> |
| <u>\$5,023</u> | <u>\$5,355,372</u> |
| | <u><u>\$66,828</u></u> |

**WOOD COUNTY DISTRICT PUBLIC LIBRARY
WOOD COUNTY**

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

| | <u>Fiduciary Fund Types</u> | | <u>Totals (Memorandum Only)</u> |
|--|--------------------------------|--------------------------------|---|
| | <u>Nonexpendable Trust</u> | <u>Agency</u> | |
| Operating Cash Receipts: | | | |
| Earnings on Investments | \$363 | \$8,262 | \$8,625 |
| Contributions, Gifts, and Donations | 568 | | 568 |
| Services Provided to Other Entities | | 175,000 | 175,000 |
| | | <u>175,000</u> | <u>175,000</u> |
| Total Operating Cash Receipts | <u>931</u> | <u>183,262</u> | <u>184,193</u> |
| Operating Cash Disbursements: | | | |
| Current: | | | |
| Salaries and Benefits | | 9,374 | 9,374 |
| Supplies | | 27,660 | 27,660 |
| Purchased and Contracted Services | | 126,379 | 126,379 |
| Library Materials and Information | 421 | | 421 |
| | <u>421</u> | <u>163,413</u> | <u>163,834</u> |
| Total Operating Cash Disbursements | <u>421</u> | <u>163,413</u> | <u>163,834</u> |
| Operating Income | 510 | 19,849 | 20,359 |
| Fund Cash Balances, January 1 | <u>7,956</u> | <u>149,019</u> | <u>156,975</u> |
| Fund Cash Balances, December 31 | <u><u>\$8,466</u></u> | <u><u>\$168,868</u></u> | <u><u>\$177,334</u></u> |
| Reserves for Encumbrances, December 31 | <u> </u> | <u> </u> | <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 CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

| | <u>Governmental Fund Type</u> | <u>Fiduciary Fund Type</u> | <u>Totals (Memorandum Only)</u> |
|---|-----------------------------------|--------------------------------|---|
| | <u>General</u> | <u>Expendable Trust</u> | |
| Cash Receipts: | | | |
| Property and Other Local Taxes | \$1,672,684 | | \$1,672,684 |
| Patron Fines and Fees | 47,006 | | 47,006 |
| Earnings on Investments | 32,795 | \$185 | 32,980 |
| Services Provided to Other Entities | 8,095 | | 8,095 |
| Contributions, Gifts and Donations | 8,607 | | 8,607 |
| Miscellaneous Receipts | 7,398 | | 7,398 |
| | <u>1,776,585</u> | <u>185</u> | <u>1,776,770</u> |
| Cash Disbursements: | | | |
| Current: | | | |
| Salaries and Benefits | 935,985 | | 935,985 |
| Purchased and Contracted Services | 350,517 | | 350,517 |
| Supplies and Materials | 357,282 | | 357,282 |
| Other Objects | 12,628 | | 12,628 |
| Debt Service Payments | 8,241 | | 8,241 |
| Capital Outlay | 104,217 | | 104,217 |
| | <u>1,768,870</u> | <u></u> | <u>1,768,870</u> |
| Total Cash Receipts Over Cash Disbursements | 7,715 | 185 | 7,900 |
| Fund Cash Balances, January 1 | 487,270 | 4,697 | 491,967 |
| Fund Cash Balances, December 31 | <u>\$494,985</u> | <u>\$4,882</u> | <u>\$499,867</u> |
| Reserves for Encumbrances, December 31 | <u>\$98,741</u> | <u></u> | <u>\$98,741</u> |

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

**WOOD COUNTY DISTRICT PUBLIC LIBRARY
WOOD COUNTY**

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

| | <u>Fiduciary Fund Types</u> | | <u>Totals (Memorandum Only)</u> |
|--|--------------------------------|--------------------------------|---|
| | <u>Nonexpendable Trust</u> | <u>Agency</u> | |
| Operating Cash Receipts: | | | |
| Earnings on Investments | \$456 | \$4,881 | \$5,337 |
| Contributions, Gifts, and Donations | 1,514 | | 1,514 |
| Services Provided to Other Entities | | 175,000 | 175,000 |
| | | <hr/> | <hr/> |
| Total Operating Cash Receipts | <hr/> 1,970 | <hr/> 179,881 | <hr/> 181,851 |
| Operating Cash Disbursements: | | | |
| Current: | | | |
| Salaries and Benefits | | 9,296 | 9,296 |
| Supplies and Materials | 476 | 1,685 | 2,161 |
| Purchased and Contracted Services | | 52,514 | 52,514 |
| Capital Outlay | | 1,730 | 1,730 |
| | | <hr/> | <hr/> |
| Total Operating Cash Disbursements | <hr/> 476 | <hr/> 65,225 | <hr/> 65,701 |
| Operating Income | 1,494 | 114,656 | 116,150 |
| Fund Cash Balances, January 1 | <hr/> 6,462 | <hr/> 34,363 | <hr/> 40,825 |
| Fund Cash Balances, December 31 | <u><u>\$7,956</u></u> | <u><u>\$149,019</u></u> | <u><u>\$156,975</u></u> |
| Reserves for Encumbrances, December 31 | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

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, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Wood County District Public Library, Wood County, (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 Wood County Court of Common Pleas (3) and the Wood County Commissioners (4). The Library provides the community with various educational and literary resources.

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

Investments are included in fund cash balances. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Certificates of deposit are valued at cost. STAR Ohio is recorded at share values 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:

Gates Grant Fund: Received a grant from the Bill and Melinda Gates Foundation to be used for the purchase of computers and computer related items.

State Computer Grant Fund: Received a grant from the State of Ohio Library to be used for the purchase of computers and computer related items.

**WOOD COUNTY DISTRICT PUBLIC LIBRARY
WOOD COUNTY**

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

3. Capital Projects 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 projects fund:

Building Fund: This fund received proceeds from the sale of bonds by Wood County on behalf of the Library. Proceed are to be used for the Library expansion project.

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 non-expendable 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:

Expendable Trust

Hubbard Endowment Trust Fund: funds are to be used to purchase books from time to time or for an alcove for such books.

Nonexpendable Trust

Wood County Genealogical Society Trust: Interest revenue can be used to purchase material for the local history department and genealogical material.

Agency

WoodLink Automation Project: Received funds from the Libraries and Local Government Support Fund from the Wood County Auditor's Office to create a web-based online catalog and countywide circulation system for the residents of Wood County and the eight participating libraries.

E. Budgetary Process

The Ohio Administrative Code requires budgeting for each fund annually.

1. Appropriations

The Board must annually approve appropriation measures by April 1 and any 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.

**WOOD COUNTY DISTRICT PUBLIC LIBRARY
WOOD COUNTY**

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

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.

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.

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 investment 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:

| | 2000 | 2001 |
|--------------------------------|-------------|---------------|
| Demand deposits | \$1,432 | \$4,010,042 |
| Certificates of deposit | 100,000 | 106,371 |
| Total deposits | 101,432 | 4,116,413 |
| STAR Ohio | 555,410 | 1,416,293 |
| Total deposits and investments | \$656,842 | \$5,532,706 |

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

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**WOOD COUNTY DISTRICT PUBLIC LIBRARY
WOOD COUNTY**

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

3. BUDGETARY ACTIVITY

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

| 2001 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|------------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$2,336,941 | \$2,161,878 | \$175,063 |
| Special Revenue | 28,296 | 28,296 | |
| Capital Projects | | | |
| Fiduciary | 201,250 | 163,834 | 37,416 |
| Total | \$2,566,487 | \$2,354,008 | \$212,479 |

| 2000 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|-----------------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$1,683,556 | \$1,776,585 | \$93,029 |
| Fiduciary | 200,950 | 182,036 | (18,914) |
| Total | \$1,884,506 | \$1,958,621 | \$74,115 |

| 2000 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|------------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$1,910,814 | \$1,867,611 | \$43,203 |
| Fiduciary | 176,250 | 65,701 | 110,549 |
| Total | \$2,087,064 | \$1,933,312 | \$153,752 |

4. TAX RECEIPTS

The primary source of revenue for Ohio public libraries is the State Library and Local Government Support Fund (LLGSF). The LLGSF is allocated to each county based on the county's prior intangibles tax of LLGSF revenues, and its population. The County Budget Commission allocates these funds to the Library based on its needs such as for the construction of new library buildings, improvements, operation, maintenance, or other expenses. The Budget Commission cannot reduce its allocation of these funds to the Library based on of any additional revenues the Library receives.

**WOOD COUNTY DISTRICT PUBLIC LIBRARY
WOOD COUNTY**

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

5. DEBT

Debt outstanding at December 31, 2001 was as follows:

| | Principal | Interest Rate |
|------------------------------|-----------|------------------|
| 206 North Church Street Note | \$45,713 | 4.83% |
| 212 North Church Street Note | 197,558 | 5.04% |
| Total | \$243,271 | |

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

| Year ending December 31: | 206 North Church Street Note | 212 North Church Street Note |
|--------------------------|---------------------------------|---------------------------------|
| 2002 | \$8,208 | \$15,892 |
| 2003 | 8,208 | 15,982 |
| 2004 | 8,208 | 15,982 |
| 2005 | 8,208 | 15,982 |
| 2006 | 8,208 | 15,892 |
| 2007 – 2021 | 12,313 | 231,757 |
| Total | \$53,353 | \$311,217 |

The Library signed a \$65,000 commercial promissory note in June of 1998 to purchase property at 206 North Church Street, to be converted into a parking lot for the Library. The agreement is as follows:

“119 payments of \$686.29 beginning July 12, 1998 and continuing at monthly time intervals thereafter. A final payment of the unpaid principal balance plus accrued interest is due and payable on June 12, 2008.”

The Library signed a \$200,000 commercial promissory note in July of 2001 to purchase property at 212 North Church Street, to be converted into parking space for the Library. The agreement is as follows:

“60 regular payments of \$1,332.59 each beginning of August 17, 2001 at an initial interest rate of 5.04%. Beginning July 17, 2006, payments will be calculated based on 65% of the United States Treasury 5 year Interest Rate plus a Margin of 3.25%) reviewing each 5 years thereafter. Borrower’s final payment will be due on July 17, 2021 and will be for all principal and all accrued interest not yet paid. Payments include principal and interest.”

**WOOD COUNTY DISTRICT PUBLIC LIBRARY
WOOD COUNTY**

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

6. CONSTRUCTION AND IMPROVEMENT OF FACILITIES

In 2001, the Wood County District Public Library Board of Trustees submitted, to the Wood County Commissioners, a property tax levy to be issued for improvements to the WCDPL. The County Commissioners serve as the taxing authority and issue tax related debt in behalf of the Library, although their role is limited to a ministerial function. The determination to request approval of a tax, the rate, and the purpose, are discretionary decisions made solely by the Board of Library Trustees.

With approval of the levy, the County Commissioners issued County general obligation bonds, in the amount of 4,950,000 for Library improvements. The bonds will be paid from the proceeds of the property tax levy. Because the bonds are general obligations of Wood County, the long-term obligation is excluded from the general long-term obligations of the Wood County District Public Library. The receipt and expenditure of the proceeds from general obligation bonds is reflected in the building capital project fund.

7. 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. For 2001 and 2000, PERS members contributed 8.5% of their gross salaries. The Wood County District Public 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 Wood County District Public Library has paid all contributions required through December 31, 2001.

8. RISK MANAGEMENT

Commercial Insurance

The Wood County District Public Library has obtained commercial insurance for the following risks:

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

9. JOINTLY GOVERNED ORGANIZATION - WOODLINK

WoodLink was established by all of the Wood County District libraries for the purpose of having a pool of funds available for events, technology, or other expenditures that benefit all or most of the libraries involved. The pooled money is received from each of the eight libraries involved in the WoodLink program. The percentage of funds to be received from each library was established by the WoodLink Board. That money is taken from the LLSGF funds received by each library from the County and sent to the Wood County District Library, where it is deposited into a separate bank account. The account is maintained by two Wood County District Library main branch employees. Wood County District Public Library contributed \$ 55,450 for each fiscal year 2000 and 2001.



STATE OF OHIO
OFFICE OF THE AUDITOR

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

Wood County District Public Library
Wood County
251 North Main Street
Bowling Green, Ohio 43402-2477

To the Board of Trustees:

We have audited the accompanying financial statements of Wood County District Public Library (the Library) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated May 10, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Library's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Library in a separate letter dated May 10, 2002.

This report is intended solely 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 stylized with a large, looping initial "J" and a horizontal line extending to the right.

Jim Petro
Auditor of State

May 10, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Columbus, Ohio 43216-1140
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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
JUNE 18, 2002**