



**WAY PUBLIC LIBRARY  
WOOD COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999-1998**



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

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**STATE OF OHIO**



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## REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Board of Trustees:

We have audited the accompanying financial statements of the Way Public Library, Wood County, Ohio, (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 audit.

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 June 19, 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

June 19, 2000

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**WAY PUBLIC LIBRARY  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>	<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
<b>Cash Receipts:</b>					
Taxes	\$1,113,981				\$1,113,981
Other Government Grants-In-Aid		\$2,348			2,348
Intergovernmental Revenue			\$2,755,000		2,755,000
Patron Fines and Fees	62,886				62,886
Earnings on Investments	23,928		32,102	\$4,522	60,552
Miscellaneous Receipts	3,039		118		3,157
<b>Total Cash Receipts</b>	<u>1,203,834</u>	<u>2,348</u>	<u>2,787,220</u>	<u>4,522</u>	<u>3,997,924</u>
<b>Cash Disbursements:</b>					
Current:					
Salaries and Benefits	686,720				686,720
Supplies	20,776	39	1,964	725	23,504
Purchased and Contracted Services	101,773	2,200	36,916	42	140,931
Library Materials and Information	244,907	165		616	245,688
Other Objects	9,845		3,752		13,597
Capital Outlay	22,889				22,889
<b>Total Cash Disbursements</b>	<u>1,086,910</u>	<u>2,404</u>	<u>42,632</u>	<u>1,383</u>	<u>1,133,329</u>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<u>116,924</u>	<u>(56)</u>	<u>2,744,588</u>	<u>3,139</u>	<u>2,864,595</u>
<b>Other Financing Receipts/(Disbursements):</b>					
Proceeds from Sales of Property	1,772				1,772
Transfers-In			68,720	873	69,593
Advances-In	4,848	2,348			7,196
Transfers-Out	(69,593)				(69,593)
Advances-Out	(2,348)	(2,348)	(2,500)		(7,196)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(65,321)</u>		<u>66,220</u>	<u>873</u>	<u>1,772</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	51,603	(56)	2,810,808	4,012	2,866,367
Fund Cash Balances, January 1	342,426	56	233,915	110,646	687,043
<b>Fund Cash Balances, December 31</b>	<u><u>\$394,029</u></u>		<u><u>\$3,044,723</u></u>	<u><u>\$114,658</u></u>	<u><u>\$3,553,410</u></u>
Reserves for Encumbrances, December 31	<u>\$46,209</u>			<u>\$84</u>	<u>\$46,293</u>

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

**WAY PUBLIC LIBRARY  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Expendable Trust	
<b>Cash Receipts:</b>					
Property and Other Local Taxes	\$1,046,216				\$1,046,216
Other Government Grants-In-Aid		\$34,533			34,533
Patron Fines and Fees	70,494				70,494
Earnings on Investments	32,081		\$17,350		49,431
Services Provided to Other Entities	6,669				6,669
Contributions, Gifts and Donations	2,075				2,075
Miscellaneous Receipts	6,264		165		6,429
<b>Total Cash Receipts</b>	<b>1,163,799</b>	<b>34,533</b>	<b>17,515</b>		<b>1,215,847</b>
<b>Cash Disbursements:</b>					
Current:					
Salaries and Benefits	657,680				657,680
Supplies	22,263	183	3,100	\$725	26,271
Purchased and Contracted Services	104,191	1,900	23,377	154	129,622
Library Materials and Information	206,165	3,555		1,003	210,723
Other Objects	9,359		3,375		12,734
Capital Outlay	37,253	28,839	2,723		68,815
<b>Total Cash Disbursements</b>	<b>1,036,911</b>	<b>34,477</b>	<b>32,575</b>	<b>1,882</b>	<b>1,105,845</b>
Total Cash Receipts Over/(Under) Cash Disbursements	126,888	56	(15,060)	(1,882)	110,002
<b>Other Financing Receipts/(Disbursements):</b>					
Proceeds from Sales of Property	1,400				1,400
Transfers-In			22,282	5,835	28,117
Transfers-Out	(28,117)				(28,117)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(26,717)</b>		<b>22,282</b>	<b>5,835</b>	<b>1,400</b>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	100,171	56	7,222	3,953	111,402
Fund Cash Balances, January 1	242,255		226,693	106,693	575,641
<b>Fund Cash Balances, December 31</b>	<b>\$342,426</b>	<b>\$56</b>	<b>\$233,915</b>	<b>\$110,646</b>	<b>\$687,043</b>
Reserves for Encumbrances, December 31	\$43,648	\$2,404		\$145	\$46,197

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



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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Way 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 the State of Ohio. The Library is directed by a six-member Board of Trustees appointed by the Mayor of the City of Perrysburg. 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, except debt service funds maintained by outside custodians are not included in these financial statements. These assets are described in Note (5) to the financial statements.

**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 reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Except gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

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**

This fund is 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:

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

Portable Computer Training Lab Project Fund is used to record revenue and disbursements from a grant to purchase lab top computers.

**3. Capital Project Funds**

These funds are used to account for receipts that are restricted for acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Library had the following significant capital project fund:

Building and Construction fund is used to record the revenue from the sale of bonds and the expenditures for the library's expansion.

**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. The Library had the following significant fiduciary fund:

The Way Trust is used to record interest from revenue left by Mr. Willard Way and is used to purchase books on the local history.

**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 and function 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 reappropriated.

A summary of 1999 and 1998 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.

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

**G. Unpaid Vacation**

Employees are entitled to cash payments for unused vacation in certain circumstances, such as upon leaving employment. Unpaid vacation is not reflected as a liability 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	\$23,705	\$119,632
Cash on Hand	205	205
	23,910	119,837
Total deposits		
	23,910	119,837
STAR Ohio	3,529,500	567,206
	3,529,500	567,206
Total deposits and investments	\$3,553,410	\$687,043

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

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,198,973	\$1,205,606	\$6,633
Special Revenue	4,696	2,348	(2,348)
Capital Projects	2,799,800	2,855,940	56,140
Fiduciary	6,200	5,395	(805)
	6,200	5,395	(805)
Total	\$4,009,669	\$4,069,289	\$59,620

**WAY 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	\$1,322,621	\$1,202,712	\$119,909
Special Revenue	4,752	2,404	2,348
Capital Projects	287,030	42,632	244,398
Fiduciary	26,845	1,467	25,378
Total	<u>\$1,641,248</u>	<u>\$1,249,215</u>	<u>\$392,033</u>

1998 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,069,654	\$1,165,199	\$95,545
Special Revenue	36,881	34,533	(2,348)
Capital Projects	34,800	39,797	4,997
Fiduciary	6,200	5,835	(365)
Total	<u>\$1,147,535</u>	<u>\$1,245,364</u>	<u>\$97,829</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,193,348	\$1,108,676	\$84,672
Special Revenue	36,881	36,881	
Capital Projects	261,493	32,575	228,918
Fiduciary	10,953	2,027	8,926
Total	<u>\$1,502,675</u>	<u>\$1,180,159</u>	<u>\$322,516</u>

**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 on account of any additional revenues realized by the Library.

**5. DEBT**

The City of Perrysburg has issued bonds in the amount of \$2,755,000 as of December 31, 1999, on behalf of the Way Public Library. The library has no obligation for repayment.

**WAY 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
- Errors and omissions

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

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

To the Board of Trustees:

We have audited the accompanying financial statements of the Way Public Library, Wood County, Ohio, (the Library) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated June 19, 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 June 19, 2000.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered 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 June 19, 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", with a large, stylized flourish at the end.

**Jim Petro**  
Auditor of State

June 19, 2000





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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**WAY PUBLIC LIBRARY**

**WOOD COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 13, 2000**