



**WILLIAMS COUNTY PUBLIC LIBRARY  
WILLIAMS COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2009**



**Mary Taylor, CPA**  
Auditor of State



**WILLIAMS COUNTY PUBLIC LIBRARY  
WILLIAMS COUNTY**

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Mary Taylor, CPA  
Auditor of State

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

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.

*Mary Taylor*

**Mary Taylor, CPA**  
Auditor of State

March 11, 2010

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Williams County Public Library  
Williams County  
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, Williams County, (the Library) as of and for the years ended December 31, 2009 and 2008. 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.

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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, 2009 and 2008 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, 2009 and 2008, 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 and reserves for encumbrances of the Williams County Public Library, Williams County, as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Library has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2010, 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.



**Mary Taylor, CPA**  
Auditor of State

March 11, 2010



**WILLIAMS COUNTY PUBLIC LIBRARY  
WILLIAMS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>All Governmental Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$477,086			\$477,086
Library and Local Government Support	966,741			966,741
Intergovernmental	163,704			163,704
Patron Fines and Fees	33,570			33,570
Contributions, Gifts and Donations	17,797		\$32,866	50,663
Earnings on Investments	939			939
Miscellaneous	39,488			39,488
Total Cash Receipts	<u>1,699,325</u>		<u>32,866</u>	<u>1,732,191</u>
<b>Cash Disbursements:</b>				
Current:				
Salaries	888,496			888,496
Employee Fringe Benefits	289,681			289,681
Purchased and Contractual Services	198,049		4,132	202,181
Library Materials and Information	91,172			91,172
Supplies	37,147			37,147
Other	23,048			23,048
Capital Outlay	115,201		97,968	213,169
Total Cash Disbursements	<u>1,642,794</u>		<u>102,100</u>	<u>1,744,894</u>
Total Receipts Over/(Under) Disbursements	<u>56,531</u>		<u>(69,234)</u>	<u>(12,703)</u>
Fund Cash Balances, January 1	<u>223,112</u>	<u>1,136</u>	<u>71,359</u>	<u>295,607</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$279,643</u></b>	<b><u>\$1,136</u></b>	<b><u>\$2,125</u></b>	<b><u>\$282,904</u></b>

**WILLIAMS COUNTY PUBLIC LIBRARY  
WILLIAMS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>All Governmental Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$504,757			\$504,757
Library and Local Government Support	1,176,112			1,176,112
Intergovernmental	129,794			129,794
Patron Fines and Fees	36,246			36,246
Contributions, Gifts and Donations	79,565	\$113	\$39,715	119,393
Earnings on Investments	15,255			15,255
Miscellaneous	20,918	110		21,028
	<u>1,962,647</u>	<u>223</u>	<u>39,715</u>	<u>2,002,585</u>
<b>Total Cash Receipts</b>				
<b>Cash Disbursements:</b>				
Current:				
Salaries	969,232			969,232
Employee Fringe Benefits	306,090			306,090
Purchased and Contractual Services	272,095		71,770	343,865
Library Materials and Information	276,295			276,295
Supplies	68,215	114		68,329
Other	24,941			24,941
Capital Outlay	89,547		364,357	453,904
	<u>2,006,415</u>	<u>114</u>	<u>436,127</u>	<u>2,442,656</u>
<b>Total Cash Disbursements</b>				
Total Receipts Over/(Under) Disbursements	<u>(43,768)</u>	<u>109</u>	<u>(396,412)</u>	<u>(440,071)</u>
Fund Cash Balances, January 1	<u>266,880</u>	<u>1,027</u>	<u>467,771</u>	<u>735,678</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$223,112</b></u>	<u><b>\$1,136</b></u>	<u><b>\$71,359</b></u>	<u><b>\$295,607</b></u>
Reserve for Encumbrances, December 31	<u>\$204,867</u>		<u>\$15,177</u>	<u>\$220,044</u>

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

**WILLIAMS COUNTY PUBLIC LIBRARY  
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008**

**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 Williams County Public Library, Williams County, (the Library) as a body corporate and politic. The Library is directed by a seven-member Board of Trustees. Three of the Trustees are appointed by the Williams County Common Pleas Court Judge. The remaining four Trustees are appointed by the Williams County Board of Commissioners. The Library provides the community with various educational and literary resources.

The Friends of the Library are non-profit groups that are associated with the Library. Since the tax exempt status of these organizations is based on their intent to support the Library, information regarding the relationship has been disclosed in Note 7.

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.

**B. 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.

The Library values certificates of deposit at cost.

**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.

**WILLIAMS COUNTY PUBLIC LIBRARY  
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**2. Special Revenue Funds**

These funds account 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:

*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.

**3. Capital Project Funds**

These funds account for receipts restricted to acquiring or constructing 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 further equipment and material purchases and future building repairs.

**E. Budgetary Process**

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, level of control within the General fund and fund level for all other funds.

A summary of 2009 and 2008 budgetary activity appears in Note 3.

**F. 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.

**G. 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.

**2. Equity in Pooled Deposits**

The Library maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at December 31 was as follows:

**WILLIAMS COUNTY PUBLIC LIBRARY  
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**2. Equity in Pooled Deposits (Continued)**

	2009	2008
Demand deposits	\$282,604	\$195,307
Certificates of deposit		100,000
Cash on Hand	300	300
Total deposits	\$282,904	\$295,607

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

**3. Budgetary Activity**

Budgetary activity for the years ending December 31, 2009 and 2008 follows:

2009 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,653,915	\$1,699,325	\$45,410
Special Revenue	200		(200)
Capital Projects	50,000	32,866	(17,134)
Total	\$1,704,115	\$1,732,191	\$28,076

2009 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,901,047	\$1,642,794	\$258,253
Special Revenue	1,000		1,000
Capital Projects	121,177	102,100	19,077
Total	\$2,023,224	\$1,744,894	\$278,330

2008 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,965,207	\$1,962,647	(\$2,560)
Special Revenue	300	223	(77)
Capital Projects	1,000	39,715	38,715
Total	\$1,966,507	\$2,002,585	\$36,078

**WILLIAMS COUNTY PUBLIC LIBRARY  
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**3. Budgetary Activity (Continued)**

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,231,977	\$2,211,282	\$20,695
Special Revenue	1,050	114	936
Capital Projects	451,940	451,304	636
Total	\$2,684,967	\$2,662,700	\$22,267

**4. Grants-in-Aid and Tax Receipts**

The primary source of revenue for Ohio public libraries is the State Library and Local Government Support Fund (LLGSF). The State allocates LLGSF 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.

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.

**5. 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 2009 and 2008, 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, 2009.

**WILLIAMS COUNTY PUBLIC LIBRARY  
WILLIAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**6. Risk Management**

**Commercial Insurance**

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Crime;
- Glass and Sign; and
- Business Auto.

The Library also provides health insurance coverage to full time employees through a private carrier.

**7. Friends of the Library**

The Friends of the Library are non-profit groups that exist and operate toward the betterment of the Williams County Public Library. These organizations are legally separate and are not fiscally dependent upon the Library. The Friends of the Library rent the Stryker, Edon and West Unity branch buildings to the Library for \$1 per year.

**8. Village Owned Libraries**

The Pioneer and Edgerton branches of the Williams County Public Library are owned by the Village of Pioneer and Edgerton, respectively. The Library leases these buildings from the villages for \$1 per year.

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# Mary Taylor, CPA

Auditor of State

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

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

To the Board of Trustees:

We have audited the financial statements of the Williams County Public Library, Williams County, (the Library) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated March 11, 2010, wherein we noted the Library prepared its financial statements using accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 expressing our opinion 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 significant 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 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.

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### **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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note a certain matter not requiring inclusion in this report that we reported to the Library's management in a separate letter dated March 11, 2010.

We intend this report solely for the information and use of management, the audit 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 "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

March 11, 2010



Mary Taylor, CPA  
Auditor of State

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  
MARCH 30, 2010