



**Auditor of State
Betty Montgomery**

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental and Fiduciary Fund Types - For the Year Ended December 31, 2002	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental and Fiduciary Fund Types - For the Year Ended December 31, 2001	4
Notes to the Financial Statements	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	9

This page intentionally left blank.



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Westerville School District Library
Franklin County
126 South State Street
Westerville, Ohio 43081

To the Board of Trustees:

We have audited the accompanying financial statements of the Westerville School District Library, Franklin County, Ohio, (the Library) as of and for the years ended December 31, 2002, and December 31, 2001. 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 fund cash balances and reserves for encumbrances of the Library as of December 31, 2002, and December 31, 2001, and its 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 March 31, 2003, 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.

35 N. Fourth St. / Second Floor / Columbus, OH 43215
Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199
www.auditor.state.oh.us

This report is intended solely for the information and use of the audit committee, 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

BETTY MONTGOMERY
Auditor of State

March 31, 2003

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>	Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:					
Library and Local Government Support	\$3,206,831	\$0	\$0	\$0	3,206,831
Government Grants-In-Aid	0	42,435	0	0	42,435
Patron Fines and Fees	199,254	0	0	0	199,254
Earnings on Investments	6,130	0	5,478	3,074	14,682
Contributions, Gifts and Donations	36,734	0	0	5,005	41,739
Miscellaneous Receipts	5,392	0	12,671	0	18,063
Total Cash Receipts	<u>3,454,341</u>	<u>42,435</u>	<u>18,149</u>	<u>8,079</u>	<u>3,523,004</u>
Cash Disbursements:					
Current:					
Salaries and Benefits	2,273,136	0	0	0	2,273,136
Purchased and Contracted Services	631,614	0	0	1,540	633,154
Library Materials and Information	577,811	0	0	0	577,811
Supplies	70,292	300	0	291	70,883
Other Objects	12,309	0	0	0	12,309
Capital Outlay	118,707	0	38,136	0	156,843
Total Cash Disbursements	<u>3,683,869</u>	<u>300</u>	<u>38,136</u>	<u>1,831</u>	<u>3,724,136</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(229,528)</u>	<u>42,135</u>	<u>(19,987)</u>	<u>6,248</u>	<u>(201,132)</u>
Other Financing Receipts/(Disbursements):					
Transfers-In	32,000	0	0	0	32,000
Transfers-Out	0	0	(32,000)	0	(32,000)
Total Other Financing Receipts/(Disbursements)	<u>32,000</u>	<u>0</u>	<u>(32,000)</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(197,528)</u>	<u>42,135</u>	<u>(51,987)</u>	<u>6,248</u>	<u>(201,132)</u>
Fund Cash Balances, January 1, 2002	<u>417,235</u>	<u>0</u>	<u>289,581</u>	<u>147,139</u>	<u>853,955</u>
Fund Cash Balances, December 31, 2002	<u>\$219,707</u>	<u>\$42,135</u>	<u>\$237,594</u>	<u>\$153,387</u>	<u>\$652,823</u>
Reserves for Encumbrances, December 31, 2002	<u>\$39,270</u>	<u>\$0</u>	<u>\$1,954</u>	<u>\$0</u>	<u>\$41,224</u>

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

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY**

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

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:				
Library and Local Government Support	\$3,476,235	\$0	\$0	\$3,476,235
Patron Fines and Fees	128,341	0	0	128,341
Earnings on Investments	24,250	14,948	6,579	45,777
Contributions, Gifts and Donations	38,230	0	0	38,230
Miscellaneous Receipts	7,795	0	0	7,795
Total Cash Receipts	<u>3,674,851</u>	<u>14,948</u>	<u>6,579</u>	<u>3,696,378</u>
Cash Disbursements:				
Current:				
Salaries and Benefits	2,190,199	0	0	2,190,199
Purchased and Contracted Services	642,295	0	0	642,295
Supplies	89,562	0	687	90,249
Library Materials & Information	618,979	0	0	618,979
Other Objects	11,718	0	0	11,718
Capital Outlay	149,182	48,465	14,408	212,055
Total Cash Disbursements	<u>3,701,935</u>	<u>48,465</u>	<u>15,095</u>	<u>3,765,495</u>
Total Cash Receipts (Under) Cash Disbursements	<u>(27,084)</u>	<u>(33,517)</u>	<u>(8,516)</u>	<u>(69,117)</u>
Other Financing Receipts/(Disbursements):				
Transfers-In	24,000	0	0	24,000
Transfers-Out	0	(24,000)	0	(24,000)
Total Other Financing Receipts/(Disbursements)	<u>24,000</u>	<u>(24,000)</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(3,084)</u>	<u>(57,517)</u>	<u>(8,516)</u>	<u>(69,117)</u>
Fund Cash Balances, January 1, 2001	<u>420,319</u>	<u>347,098</u>	<u>155,655</u>	<u>923,072</u>
Fund Cash Balances, December 31, 2001	<u>\$417,235</u>	<u>\$289,581</u>	<u>\$147,139</u>	<u>\$853,955</u>
Reserves for Encumbrances, December 31, 2001	<u>\$139,994</u>	<u>\$633</u>	<u>\$0</u>	<u>\$140,627</u>

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

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Westerville School District Library, Franklin County, Ohio (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 Westerville City School District Board of Education. 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

Certificates of deposit are valued 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 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 Fund

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's special revenue fund is:

Underground Railroad Fund- Grants receipts are used to educate the public about the significance of the Emancipation Proclamation .

3. Capital Projects Fund

This fund is 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's capital projects fund is:

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Capital Projects Fund (Continued)

Building Fund – This fund contains money from the surplus of the 1981 library addition project and will be used for any major repairs to the Library.

4. Fiduciary Fund (Trust Fund)

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's fiduciary fund is:

Temperance Education Fund – this fund receives income from the interest on certificates of deposits. Interest is used to pay for the operating expenses of the museum.

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, and object level of control.

A summary of 2002 and 2001 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

The Library maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 follows:

	<u>2002</u>	<u>2001</u>
Demand deposits	\$65,079	\$40,328
Certificates of deposit	587,744	813,627
Total deposits	<u>\$652,823</u>	<u>\$853,955</u>

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

2. EQUITY IN POOLED CASH (Continued)

Deposits: Deposits are either 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, 2002 and December 31, 2001 follows:

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$4,096,882	\$3,723,139	\$373,743
Special Revenue	0	300	(300)
Capital Projects	295,582	72,090	223,492
Fiduciary	150,139	1,831	148,308
Total	\$4,542,603	\$3,797,360	\$745,243

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$4,110,824	\$3,841,929	\$268,895
Capital Projects	362,098	73,098	289,000
Fiduciary	161,655	15,095	146,560
Total	\$4,634,577	\$3,930,122	\$704,455

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. DEBT

The Westerville City School District issued bonds on the Library's behalf in 1995. At December 31, 2002, the amount outstanding on these bonds was \$5,407,953. The Library has no obligation for repayment of these bonds.

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(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 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 2002. The Library has paid all contributions required through December 31, 2002.

7. RISK MANAGEMENT

Commercial Insurance

The Library has obtained commercial insurance for the following risks:

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

The Library also provides health, dental, vision and life insurance coverage to full-time employees through a private carrier.



**Auditor of State
Betty Montgomery**

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

Westerville School District Library
Franklin County
126 South State Street
Westerville, Ohio 43081

To the Board of Trustees:

We have audited the accompanying financial statements of the Westerville School District Library, Franklin County, Ohio, (the Library) as of and for the years ended December 31, 2002, and December 31, 2001, and have issued our report thereon dated March 31, 2003. 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*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the Library in a separate letter dated March 31, 2003.

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 March 31, 2003.

35 N. Fourth St. / Second Floor / Columbus, OH 43215
Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199
www.auditor.state.oh.us

Westerville School District Library
Franklin County
Independent Accountants' Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

This report is intended solely for the information and use of the audit committee, 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

BETTY MONTGOMERY
Auditor of State

March 31, 2003



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

WESTERVILLE SCHOOL DISTRICT LIBRARY

FRANKLIN 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
MAY 22, 2003**