



**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**



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

---

**STATE OF OHIO**



**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Report of Independent Accountants .....	1
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, 2000 .....	3
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 .....	4
Notes to the Financial Statements .....	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	11

**This Page Intentionally Left Blank**



STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

35 North 4<sup>th</sup> Street, 2<sup>nd</sup> Floor  
Columbus, Ohio 43215

Telephone 614-466-3402  
800-443-9275

Facsimile 614-728-7199  
www.auditor.state.oh.us

## REPORT OF INDEPENDENT ACCOUNTANTS

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, 2000 and December 31, 1999. 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 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 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, 2000 and December 31, 1999, 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 1, 2001 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 for the information and use of management, the Board of Trustees, the audit committee, 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.

**JIM PETRO**  
Auditor of State

June 1, 2001

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPE  
DECEMBER 31, 2000**

	<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>	
<b>Cash Receipts:</b>				
Government Grants in Aid	\$3,434,098	\$0	\$0	\$3,434,098
Patron Fines and Fees	156,366	0	0	156,366
Earnings on Investments	35,851	21,819	9,805	67,475
Contributions, Gifts and Donations	19,222	0	0	19,222
Miscellaneous Receipts	1,029	0	0	1,029
	<u>3,646,566</u>	<u>21,819</u>	<u>9,805</u>	<u>3,678,190</u>
<b>Total Cash Receipts</b>				
<b>Cash Disbursements:</b>				
Current:				
Salaries and Benefits	2,057,438	0	0	2,057,438
Supplies	95,798	0	253	96,051
Purchased and Contracted Services	677,311	0	736	678,047
Library Materials and Information	645,309	0	0	645,309
Other Objects	10,961	0	0	10,961
Capital Outlay	305,739	0	6,397	312,136
	<u>3,792,556</u>	<u>0</u>	<u>7,386</u>	<u>3,799,942</u>
<b>Total Cash Disbursements</b>				
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(145,990)</u>	<u>21,819</u>	<u>2,419</u>	<u>(121,752)</u>
Fund Cash Balances, January 1, 2000	<u>566,309</u>	<u>325,279</u>	<u>153,236</u>	<u>1,044,824</u>
<b>Fund Cash Balances, December 31, 2000</b>	<u><b>\$420,319</b></u>	<u><b>\$347,098</b></u>	<u><b>\$155,655</b></u>	<u><b>\$923,072</b></u>
Reserves for Encumbrances, December 31, 2000	<u>\$116,377</u>	<u>\$0</u>	<u>\$0</u>	<u>\$116,377</u>

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

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPE  
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>					
Government Grants in Aid	\$3,190,247	\$0	\$0	\$0	\$3,190,247
Patron Fines and Fees	162,134	0	0	0	162,134
Earnings on Investments	33,395	0	8,592	4,787	46,774
Contributions, Gifts and Donations	4,322	0	0	0	4,322
Miscellaneous Receipts	6,269	0	0	0	6,269
<b>Total Cash Receipts</b>	<u>3,396,367</u>	<u>0</u>	<u>8,592</u>	<u>4,787</u>	<u>3,409,746</u>
<b>Cash Disbursements:</b>					
Current:					
Salaries and Benefits	1,834,259	0	0	0	1,834,259
Supplies	85,725	148	0	997	86,870
Purchased and Contracted Services	564,429	0	0	447	564,876
Library Materials and Information	575,001	885	0	0	575,886
Other Objects	10,677	0	0	0	10,677
Capital Outlay	141,917	0	484	1,145	143,546
<b>Total Cash Disbursements</b>	<u>3,212,008</u>	<u>1,033</u>	<u>484</u>	<u>2,589</u>	<u>3,216,114</u>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<u>184,359</u>	<u>(1,033)</u>	<u>8,108</u>	<u>2,198</u>	<u>193,632</u>
<b>Other Financing Receipts/(Disbursements):</b>					
Transfers-In	0	0	2,826	2,357	5,183
Transfers-Out	(5,183)	0	0	0	(5,183)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(5,183)</u>	<u>0</u>	<u>2,826</u>	<u>2,357</u>	<u>0</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>179,176</u>	<u>(1,033)</u>	<u>10,934</u>	<u>4,555</u>	<u>193,632</u>
<b>Fund Cash Balances, January 1, 1999</b>	<u>387,133</u>	<u>1,033</u>	<u>314,345</u>	<u>148,681</u>	<u>851,192</u>
<b>Fund Cash Balances, December 31, 1999</b>	<u><b>\$566,309</b></u>	<u><b>\$0</b></u>	<u><b>\$325,279</b></u>	<u><b>\$153,236</b></u>	<u><b>\$1,044,824</b></u>
<b>Reserves for Encumbrances, December 31, 1999</b>	<u><b>\$218,525</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$6,397</b></u>	<u><b>\$224,922</b></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, 2000 AND 1999**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Westerville School District Library, Franklin 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 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 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.

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

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**3. Fiduciary Funds(Trust 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 expendable trust fund:

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 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, function, and object 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 re-appropriated.

A summary of 2000 and 1999 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. Unpaid Vacation and Sick Leave**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Library.

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**2. EQUITY IN POOLED CASH**

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

	<u>2000</u>	<u>1999</u>
Demand deposits	(\$157,149)	\$2,398
Certificates of deposit	<u>917,524</u>	<u>1,042,426</u>
Total Deposits	760,375	1,044,824
Investment Sweep	<u>162,697</u>	<u>0</u>
Total Investments	<u>162,697</u>	<u>0</u>
Total Deposits & Investments	<u><u>923,072</u></u>	<u><u>1,044,824</u></u>

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2000 and December 31, 1999 follows:

**2000 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$3,459,000	\$3,646,566	\$187,566
Capital Projects	13,500	21,819	8,319
Fiduciary	<u>5,000</u>	<u>9,805</u>	<u>4,805</u>
Total	<u><u>\$3,477,500</u></u>	<u><u>\$3,678,190</u></u>	<u><u>\$200,690</u></u>

**2000 Budgeted vs. Actual Budgetary Basis Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$4,148,700	\$3,908,933	\$239,767
Capital Projects	338,779	0	338,779
Fiduciary	<u>158,237</u>	<u>7,386</u>	<u>150,851</u>
Total	<u><u>\$4,645,716</u></u>	<u><u>\$3,916,319</u></u>	<u><u>\$729,397</u></u>

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

**1999 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$3,242,480	\$3,396,367	\$153,887
Capital Projects	0	11,418	11,418
Fiduciary	0	7,144	7,144
Total	<u>\$3,242,480</u>	<u>\$3,414,929</u>	<u>\$172,449</u>

**1999 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$3,493,513	\$3,435,716	\$57,797
Special Revenue	1,033	1,033	0
Capital Projects	314,829	484	314,345
Fiduciary	149,142	8,986	140,156
Total	<u>\$3,958,517</u>	<u>\$3,446,219</u>	<u>\$512,298</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 on account of any additional revenues realized by the Library.

**5. DEBT**

The Westerville City School District issued bonds on the Library's behalf in 1979 and 1995. At December 31, 2000, the amount outstanding on these bonds was \$120,000 and \$5,559,981, respectively. The Library has no obligation for repayment of these bonds.

**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.

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**6. RETIREMENT SYSTEM (Continued)**

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, part-time employees contributed 8.5% of their gross salaries. The Library contributed an amount equal to 13.55% of the part-time employees' gross wages and 22.05% for the full-time employees' gross wages in 1999. The Library contributed an amount equal to 10.84% of the part-time employees' gross wages and 19.34% for the full-time employees' gross wages in 2000. The Library has paid all contributions required through December 31, 2000.

**7. RISK MANAGEMENT**

The Library has obtained commercial insurance for the following risks:

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

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

**This Page Intentionally Left Blank**



**REPORT OF INDEPENDENT ACCOUNTANTS 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, 2000 and December 31, 1999, and have issued our report thereon dated June 1, 2001. We conducted our audit 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 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 June 1, 2001.

**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.

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

This report is intended for the information and use of management, the Board of Trustees, and the audit committee and is not intended to be and should not be used by anyone other than these specified parties.

**JIM PETRO**  
Auditor of State

June 1, 2001





STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

JIM PETRO, AUDITOR OF STATE

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  
JULY 3, 2001**