



**WESTERVILLE SCHOOL DISTRICT PUBLIC LIBRARY  
FRANKLIN COUNTY**

**REGULAR AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2003**



**Auditor of State  
Betty Montgomery**



**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY**

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**Auditor of State  
Betty Montgomery**

**NDEPENDENT ACCOUNTANTS' REPORT**

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

To the Board of Trustees:

We have audited the accompanying financial statements of the Westerville School District Library, Franklin County, (the Library) as of and for the year ended December 31, 2003. 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, which is a 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, 2003 and its combined cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2005, 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.

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 Section 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

December 28, 2005

**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 TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	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	\$1,338,532	\$0	\$0	\$0	\$1,338,532
Intergovernmental	3,338,652	0	0	0	3,338,652
Patron Fines and Fees	194,105	0	0	0	194,105
Earnings on Investments	9,209	0	15,713	1,400	26,322
Contributions, Gifts and Donations	4,819	0	0	20	4,839
Miscellaneous Receipts	1,807	0	0	0	1,807
<b>Total Cash Receipts</b>	<b>4,887,124</b>	<b>0</b>	<b>15,713</b>	<b>1,420</b>	<b>4,904,257</b>
<b>Cash Disbursements:</b>					
Current:					
Salaries and Benefits	2,428,098	0	0	0	2,428,098
Purchased and Contracted Services	701,333	30,039	98,586	0	829,958
Library Materials and Information	724,543	0	0	0	724,543
Supplies	116,929	5,000	0	440	122,369
Other Objects	12,941	0	0	0	12,941
Capital Outlay	136,274	0	1,733	280	138,287
<b>Total Cash Disbursements</b>	<b>4,120,118</b>	<b>35,039</b>	<b>100,319</b>	<b>720</b>	<b>4,256,196</b>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<b>767,006</b>	<b>(35,039)</b>	<b>(84,606)</b>	<b>700</b>	<b>648,061</b>
<b>Other Financing Receipts/(Disbursements):</b>					
Proceeds of Bonds	0	0	3,404,519	0	3,404,519
Refund of Grant Monies	0	(7,096)	0	0	(7,096)
Transfers-In	0	0	612,140	0	612,140
Transfers-Out	(612,140)	0	0	0	(612,140)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(612,140)</b>	<b>(7,096)</b>	<b>4,016,659</b>	<b>0</b>	<b>3,397,423</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<b>154,866</b>	<b>(42,135)</b>	<b>3,932,053</b>	<b>700</b>	<b>4,045,484</b>
<b>Fund Cash Balances, January 1</b>	<b>219,707</b>	<b>42,135</b>	<b>237,595</b>	<b>153,387</b>	<b>652,824</b>
<b>Fund Cash Balances, December 31</b>	<b>\$374,573</b>	<b>\$0</b>	<b>\$4,169,648</b>	<b>\$154,087</b>	<b>\$4,698,308</b>
<b>Reserves for Encumbrances, December 31</b>	<b>\$155,294</b>	<b>\$0</b>	<b>\$18,172</b>	<b>\$0</b>	<b>\$173,466</b>

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

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**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003**

**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 Westerville School District Library, Franklin County, (the Library) as a body corporate and politic. The Westerville City School District Board of Education appoints a seven-member Board of Trustees to govern the Library. 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**

This financial statement follows the basis of accounting the Auditor of State prescribes or permits. This accounting basis is similar to the cash receipts and disbursements 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).

This statement includes adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. Cash 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 accounts for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

These funds account for proceeds from specific sources (other than for capital projects) that are restricted to expenditure for specific purposes. The Library's Special Revenue Fund is:

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

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003  
(Continued)**

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

**D. Fund Accounting (Continued)**

**3. Capital Project Funds**

These funds account for receipts restricted to acquiring or constructing major capital projects. The Library had the following significant Capital Project Fund:

Permanent Improvement Fund – This fund contains money from the sale of bonds to finance the construction of an approximately 10,000 square foot two story expansion of the facilities of the Library, including the furnishing and equipping of such expansion. The project will be used for youth services, a teen center, media department, administrative offices and for related operations and services provided by the Library.

**4. Fiduciary Funds**

Trust funds account for resources restricted by legally binding trust agreements. If the agreement requires the Library to maintain the corpus of the trust, the Library classifies the activity as a nonexpendable trust fund. The Library classifies other trust funds as expendable. The Library had the following significant Fiduciary Fund:

Temperance Education Fund (Expendable Trust Fund) – This fund contains money that was given to the Library along with the Museum. This money is to be used for the upkeep and maintenance of the building.

**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 object level of control.

A summary of 2003 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.

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003  
(Continued)**

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	2003
Demand deposits	\$25,250
Money Market Account	\$3,348,010
Certificates of deposit	1,325,048
Total deposits	\$4,698,308

**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 year ending December 31, 2003 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$4,852,843	\$4,887,124	\$34,281
Special Revenue	0	0	0
Capital Projects Funds	3,401,000	4,032,372	631,372
Fiduciary	2,000	1,420	(580)
Total	\$8,255,843	\$8,920,916	\$665,073

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$5,094,234	\$4,887,552	\$206,682
Special Revenue	42,135	42,135	0
Capital Projects Fund	241,640	118,491	123,149
Fiduciary	155,387	720	154,667
Total	\$5,533,396	\$5,048,898	\$484,498

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003  
(Continued)**

**4. INTERGOVERNMENTAL 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 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 Board 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 Intergovernmental receipts. 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.

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. DEBT**

The Westerville City School District issued bonds on the Library's behalf in 1995. At June 30, 2003, the amount outstanding on these bonds was \$5,541,322. The Library has no obligation for repayment of these bonds.

School District Libraries are permitted to issue Revenue Anticipation Notes base on future expected receipts from the State's Library and Local Government Support Fund. This debt is not a general liability of the Library or School District, however, the debt is a liability of the LLGS Revenue.

Debt outstanding at December 31, 2003 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
LLGS Revenue Anticipation Notes	3,395,000	1.15% to 3.25%
Total	<u><u>\$3,395,000</u></u>	

The Debt Service payments will be made out of the General Fund. The proceeds of this debt issuance will be used in the renovation and construction of the Library annex.

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003  
(Continued)**

**5. DEBT (Continued)**

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

Year ending December 31:	LLGS Revenue Anticipation Notes
2004	\$542,755
2005	535,630
2006	541,430
2007	541,930
2008	545,775
2009 - 2010	1,089,750
Total	\$3,797,270

**6. RETIREMENT SYSTEM**

The Ohio Public Employees Retirement System (OPERS) is a state operated, cost-sharing, multiple employer public employee retirement system. The Ohio Revised Code prescribes retirement benefits for vested employees who are eligible to retire based upon years of service. OPERS also provides survivor and disability benefits to vested employees as the Ohio Revised Code prescribes.

The Ohio Revised Code also prescribes contribution rates. The Library's OPERS members contributed 8.5 percent of their gross salaries. The Library contributed an amount equal to 13.55 percent of participants' gross salaries. The Library has paid all contributions required through December 31, 2003.

**7. RISK MANAGEMENT**

**Commercial Insurance**

The Westerville School District Library has obtained commercial insurance for the following risks:

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

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**Auditor of State  
Betty Montgomery**

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

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

To the Board of Trustees:

We have audited the financial statement of the Westerville School District Library, Franklin County, Ohio, (the Library) as of and for the year ended December 31, 2003, and have issued our report thereon dated December 28, 2005. 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 to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

**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*.

Westerville School District Library  
Franklin County  
Independent Accountants' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
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We intend this report solely for the information and use of the audit committee, management, and the Board of Trustees. It is not intended for 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

December 28, 2005





**Auditor of State  
Betty Montgomery**

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

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800-282-0370

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**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  
MARCH 14, 2006**