



Dave Yost • Auditor of State



**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

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

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements and related notes of Westerville School District Library, Franklin County, (the Library) as of and for the years ended December 31, 2014 and 2013.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Library Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Library's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Library's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1.B of the financial statements, the Library prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Library does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Library as of December 31, 2014 and 2013, or changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Westerville School District Library as of December 31, 2014 and 2013, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.B.

***Other Reporting Required by Library Auditing Standards***

In accordance with *Library Auditing Standards*, we have also issued our report dated August 18, 2015, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Library Auditing Standards* in considering the Library's internal control over financial reporting and compliance.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

August 18, 2015

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$ 4,019,851	\$ -	\$ -	\$ 4,019,851
Public Library Funds	2,485,482	-	-	2,485,482
Intergovernmental	540,991	-	-	540,991
Patron Fines and Fees	181,792	-	-	181,792
Services Provided to Other Entities	43,579	-	-	43,579
Contributions, Gifts and Donations	28,958	24,957	-	53,915
Earnings on Investments	13,395	-	-	13,395
Miscellaneous	68,013	-	-	68,013
<b>Total Cash Receipts</b>	<b>7,382,061</b>	<b>24,957</b>	<b>-</b>	<b>7,407,018</b>
<b>Cash Disbursements:</b>				
Current:				
Library Services:				
Public Services and Programs	4,323,342	859	-	4,324,201
Collection Development and Processing	154,783	-	-	154,783
Support Services:				
Facilities Operation and Maintenance	719,871	16,729	-	736,600
Information Services	50,583	-	-	50,583
Business Administration	901,231	-	-	901,231
Capital Outlay	339,800	-	-	339,800
Debt Service:				
Redemption of Principal	240,000	-	-	240,000
Interest and Other Fiscal Charges	12,840	-	-	12,840
<b>Total Cash Disbursements</b>	<b>6,742,450</b>	<b>17,588</b>	<b>-</b>	<b>6,760,038</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>639,611</b>	<b>7,369</b>	<b>-</b>	<b>646,980</b>
Fund Cash Balances, January 1	763,721	595	1,800,174	2,564,490
<b>Fund Cash Balances (Deficit), December 31</b>				
Committed	-	7,964	-	7,964
Assigned	322,621	-	1,800,174	2,122,795
Unassigned	1,080,711	-	-	1,080,711
<b>Fund Cash Balances (Deficit), December 31</b>	<b>\$ 1,403,332</b>	<b>\$ 7,964</b>	<b>\$ 1,800,174</b>	<b>\$ 3,211,470</b>

*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 FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$ 4,055,392	\$ -	\$ -	\$ 4,055,392
Public Library Funds	2,533,955	-	-	2,533,955
Intergovernmental	532,641	-	-	532,641
Patron Fines and Fees	205,587	-	-	205,587
Services Provided to Other Entities	38,000	-	-	38,000
Contributions, Gifts and Donations	20,372	5,060	-	25,432
Earnings on Investments	6,827	-	-	6,827
Miscellaneous	59,097	-	-	59,097
<b>Total Cash Receipts</b>	<b>7,451,871</b>	<b>5,060</b>	<b>-</b>	<b>7,456,931</b>
<b>Cash Disbursements:</b>				
Current:				
Library Services:				
Public Services and Programs	4,255,454	5,065	-	4,260,519
Collection Development and Processing	166,883	-	-	166,883
Support Services:				
Facilities Operation and Maintenance	714,652	-	-	714,652
Information Services	48,665	-	-	48,665
Business Administration	844,779	-	-	844,779
Capital Outlay	890,305	-	-	890,305
Debt Service:				
Redemption of Principal	230,000	-	-	230,000
Interest and Other Fiscal Charges	25,145	-	-	25,145
<b>Total Cash Disbursements</b>	<b>7,175,882</b>	<b>5,065</b>	<b>-</b>	<b>7,180,947</b>
Total Receipts Over/(Under) Disbursements	275,989	(5)	-	275,984
<b>Other Financing Receipts / (Disbursements):</b>				
Transfers-In	-	1,601	176,000	177,601
Transfers-Out	(177,601)	-	-	(177,601)
<b>Total Other Financing Receipts / (Disbursements)</b>	<b>(177,601)</b>	<b>1,601</b>	<b>176,000</b>	<b>-</b>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	98,388	1,596	176,000	275,984
Fund Cash Balances, January 1	665,333	(1,001)	1,624,174	2,288,506
<b>Fund Cash Balances, December 31</b>				
Committed	-	595	-	595
Assigned	214,298	-	1,800,174	2,014,472
Unassigned	549,423	-	-	549,423
<b>Fund Cash Balances, December 31</b>	<b>\$ 763,721</b>	<b>\$ 595</b>	<b>\$ 1,800,174</b>	<b>\$ 2,564,490</b>

*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, 2014 AND 2013**

**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 Friends of the Westerville School District Library, Inc. is a legally separate, not-for-profit organization with a self-appointing board. The Library is not financially accountable for the organization, nor does the Library approve the budget or the issuance of debt of the organization. The Library does not have access to the resources provided by the organization. Therefore, this organization has been excluded from the reporting entity of the Library.

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 permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

**C. 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.

Money market mutual funds (including STAR Ohio) are recorded at share values in the mutual funds report.

**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 and reports all financial resources not accounted for and reported in another fund.

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

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

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds**

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Library had the following significant Special Revenue Funds:

*Muslim Journey Fund:* This Special Revenue Fund received a grant from the American Library Association to expend resources on literature about the Muslim culture.

*PennPAT Grant Fund:* This Special Revenue Fund received a grant from the Mid Atlantic Arts Association monies are to be expended on resources for performing arts presentations.

**3. Capital Project Funds**

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Library had the following significant capital project funds:

*Building and Repair Fund* – The monies maintained in this fund are to be used for improving, fixing and expanding the existing library facility.

**E. Budgetary Process**

The Board must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end. Budgetary expenditures may not exceed appropriations at the fund, function, and object level of control.

A summary of 2014 and 2013 budgetary activity appears in Note 3.

**F. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the Library must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**1. Nonspendable**

The Library classifies assets as ***nonspendable*** when legally or contractually required to maintain the amounts intact.

**2. Restricted**

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

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

**F. Fund Balance (Continued)**

**3. Committed**

Trustees can *commit* amounts via formal action (resolution). The Library must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**4. Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Library Trustees or a Library official delegated that authority by resolution, or by State Statute.

**5. Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Library applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**G. 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.

**H. 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, 2014 AND 2013  
(Continued)**

**2. Equity in Pooled Deposits and Investments**

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

	2014	2013
Demand deposits	\$650,795	(\$193,836)
Other time deposits (savings and NOW accounts)	629	805
Total deposits	651,424	(193,031)
Money Market Fund	0	20
STAR Ohio	100,019	0
Negotiable Certificates of deposit	2,460,027	2,757,501
Total investments	2,560,046	2,757,521
Total deposits and investments	\$3,211,470	\$2,564,490

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

**Investments:** Fifth Third Securities holds the Library's negotiable certificates of deposit in book-entry form by, in the name of the Library's financial institution. Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

**3. Budgetary Activity**

Budgetary activity for the years December 31, 2014 and 2013 follows:

2014 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$7,353,977	\$7,382,061	\$28,084
Special Revenue	24,957	24,957	0
Total	\$7,378,934	\$7,407,018	\$28,084

2014 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$7,374,800	\$6,742,450	\$632,350
Special Revenue	25,552	17,588	7,964
Capital Projects	1,800,174	0	1,800,174
Total	\$9,200,526	\$6,760,038	\$2,440,488

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**3. Budgetary Activity (Continued)**

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$7,531,363	\$7,451,871	(\$79,492)
Special Revenue	5,660	6,661	\$1,001
Capital Projects	0	176,000	\$176,000
Total	\$7,537,023	\$7,634,532	\$97,509

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$7,421,012	\$7,353,483	\$67,529
Special Revenue	5,660	5,065	595
Capital Projects	1,476,637	0	1,476,637
Total	\$8,903,309	\$7,358,548	\$1,544,761

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

The primary source of revenue for Ohio public libraries is the Public Library Fund (PLF). The State allocates PLF to each county based on the total tax revenue credited to the State's general revenue fund during the preceding month. This method of distribution is called the "percentage of revenue" method. This method was not used for August 2011 through June 2013. During that 23 month period PLF received a designated percentage of the dollar amounts received by the fund during the corresponding month of the fiscal year 2011 "base-year" period. Effective July 2013 the statutory allocation method reverted to the "percentage of revenue" method for PLF distribution. The fund received an amount equal to a specified percentage of the amount of GRF tax revenue received during the previous month. Beginning with the July 2013 distribution the "statutory allocation method" was implemented. The calendar year 2013 entitlements were used in the computation as the basis of each county's allocation percentage. Those percentages were used through December 2013. In December 2013 the actual calendar year entitlement was computed. Any difference was adjusted evenly to the PLF distributions from January-June 2014. In calendar year 2014 the statutory entitlement computation method continued. Estimated entitlement figures were issued to County Auditors in July 2013, December 2013 and June 2014. The actual 2014 entitlements will be computed in December 2014. The difference between the estimate and actual will be adjusted evenly in the PLF distributions made from January-June 2015.

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 January 20. If the property owner elects to pay semiannually, the first half is due January 20. 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.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Library.

**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**5. Debt**

There was no outstanding debt as of December 31<sup>t</sup>, 2014.

The Library made debt payments of \$255,145 on its General Obligation Bonds during 2013 and \$252,840 during 2014. The Debt payments were made from the General Fund. The proceeds of this debt refunding were used to refund the original 2004 debt LLGS Revenue Anticipation Notes for the renovation and construction of the Library annex. The Bonds were paid off in 2014.

**6. Retirement Systems**

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 both 2014 and 2013, 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, 2014.

**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.

**8. Contingent Liabilities**

The library is not party to any pending litigation.



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S 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, Ohio 43081

To the Board of Trustees:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of Westerville School District Library, Franklin County (the Library), as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements and have issued our report thereon dated August 18, 2015, wherein we noted the Library followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Library's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Library's internal control. Accordingly, we have not opined on it.

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 deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Library's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***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, opining 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 an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2014-001.

***Entity's Response to Findings***

The Library's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Library's response and, accordingly, we express no opinion on it.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Library's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Library's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

August 18, 2015



**WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2014 AND 2013**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2014-001**

**Undeposited Over the Counter Receipts – Finding for Recovery**

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is liable for the amount of such expenditure. Seward v. National Surety Co. (1929), 120 Ohio St. 47; 1980 Op. Att’y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex.rel. Village of Linndale v. Masten (1985), 18 Ohio St.3d 228. Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property. 1980 Op. Att’y Gen. No. 80-074.

Unaccounted for over the counter receipts representing \$26,062 did not have the resulting revenue deposited into the Library’s accounts. The resulting cash receipts were identified by the Library and the Westerville Police Department as unaccounted for and not deposited in the Library accounts by the Deputy Fiscal Officer, Troy Cockrell, from a period of 2011 through 2014. The Library is currently in prosecution of the former Deputy Fiscal Officer.

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies collected but unaccounted for is hereby issued in favor of the Westerville School District Library's General Fund for over the counter receipts against Troy Cockrell, former Deputy Fiscal Officer, and his bonding company, Ohio Farmers Insurance Company, jointly and severally, for twenty six thousand, sixty two dollars (\$26,062).

We recommend the Library follow up on any variances noted with the collection and depositing of public monies. For fraud, thefts, or missing monies identified, the Library should follow a formal reporting process of notifying the Auditor of State’s office and potentially the police.

**Officials’ Response:** The Library's Fiscal Officer has put into place significant improvements in cash handling procedures and internal controls. These new procedures and policies are also being formalized in a Fiscal Policy Manual which will be presented to the Board of Trustees for official adoption this year. In addition, the Library has purchased and implemented a new central accounting software system to include point of sale components. All these changes will help prevent the recurrence of fraud and theft of funds.

WESTERVILLE SCHOOL DISTRICT LIBRARY  
FRANKLIN COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2014 & 2013

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2012-001	Financial Reporting	No	Partially Corrected: Re-issued as a management letter recommendation.



# Dave Yost • Auditor of State

**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  
OCTOBER 6, 2015**