



**WORTHINGTON SCHOOL DISTRICT PUBLIC LIBRARY
FRANKLIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

WORTHINGTON SCHOOL DISTRICT PUBLIC LIBRARY
FRANKLIN COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Worthington School District Public Library
Franklin County
820 High Street
Worthington, Ohio 43085

To the Board of Trustees:

We have audited the accompanying financial statements of the Worthington School District Public 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 audits provide 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 reserve 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 May 10, 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 solely for the information and use of the audit committee, management, 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.

JIM PETRO
Auditor of State

May 10, 2001

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**WORTHINGTON SCHOOL DISTRICT PUBLIC 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, 2000**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Property and Other Local Taxes	\$5,495,480	\$0	\$210,000	\$0	\$5,705,480
Patron Fines and Fees	250,149	0	0	0	250,149
Earnings on Investments	248,086	0	0	0	248,086
Services Provided to Other Entities	20	0	0	0	20
Contributions, Gifts and Donations	1,080	0	0	0	1,080
Miscellaneous Receipts	650,101	0	0	0	650,101
Total Cash Receipts	<u>6,644,916</u>	<u>0</u>	<u>210,000</u>	<u>0</u>	<u>6,854,916</u>
Cash Disbursements:					
Current:					
Salaries and Benefits	3,471,072	0	0	0	3,471,072
Supplies	87,612	0	0	0	87,612
Purchased Services	1,020,622	0	0	67,918	1,088,540
Library Materials and Information	1,257,994	0	0	0	1,257,994
Other Objects	9,230	0	0	0	9,230
Debt Service:					
Redemption of Principal	0	0	110,000	0	110,000
Interest Payments and Other Financing Fees and Costs	0	0	96,250	0	96,250
Capital Outlay	63,641	0	0	47,716	111,357
Total Cash Disbursements	<u>5,910,171</u>	<u>0</u>	<u>206,250</u>	<u>115,634</u>	<u>6,232,055</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>734,745</u>	<u>0</u>	<u>3,750</u>	<u>(115,634)</u>	<u>622,861</u>
Other Financing Receipts/(Disbursements):					
Transfers-In	0	25,000	0	179,025	204,025
Transfers-Out	(204,025)	0	0	0	(204,025)
Total Other Financing Receipts/(Disbursements)	<u>(204,025)</u>	<u>25,000</u>	<u>0</u>	<u>179,025</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>530,720</u>	<u>25,000</u>	<u>3,750</u>	<u>63,391</u>	<u>622,861</u>
Fund Cash Balances, January 1	<u>1,941,922</u>	<u>17,116</u>	<u>10,365</u>	<u>1,230,387</u>	<u>3,199,790</u>
Fund Cash Balances, December 31	<u>\$2,472,642</u>	<u>\$42,116</u>	<u>\$14,115</u>	<u>\$1,293,778</u>	<u>\$3,822,651</u>
Reserve for Encumbrances, December 31	<u>\$557,940</u>	<u>\$0</u>	<u>\$0</u>	<u>\$137,616</u>	<u>\$695,556</u>

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

**WORTHINGTON SCHOOL DISTRICT PUBLIC 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, 1999**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Property and Other Local Taxes	\$5,270,214	\$0	\$220,000	\$0	\$5,490,214
Patron Fines and Fees	244,495	0	0	0	244,495
Earnings on Investments	161,843	0	0	0	161,843
Services Provided to Other Entities	30	0	0	0	30
Contributions, Gifts and Donations	1,681	0	0	0	1,681
Miscellaneous Receipts	833,842	0	0	0	833,842
Total Cash Receipts	<u>6,512,105</u>	<u>0</u>	<u>220,000</u>	<u>0</u>	<u>6,732,105</u>
Cash Disbursements:					
Current:					
Salaries and Benefits	2,824,765	7,884	0	0	2,832,649
Supplies	98,652	0	0	0	98,652
Purchased Services	958,718	0	0	604	959,322
Library Materials and Information	1,201,312	0	0	0	1,201,312
Other Objects	24,337	0	0	0	24,337
Debt Service:					
Redemption of Principal	0	0	115,000	0	115,000
Interest Payments and Other Financing Fees and Costs	0	0	102,000	0	102,000
Capital Outlay	135,732	0	0	169,484	305,216
Total Cash Disbursements	<u>5,243,516</u>	<u>7,884</u>	<u>217,000</u>	<u>170,088</u>	<u>5,638,488</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>1,268,589</u>	<u>(7,884)</u>	<u>3,000</u>	<u>(170,088)</u>	<u>1,093,617</u>
Other Financing Receipts/(Disbursements):					
Transfers-In	0	25,000	0	582,977	607,977
Transfers-Out	(607,977)	0	0	0	(607,977)
Total Other Financing Receipts/(Disbursements)	<u>(607,977)</u>	<u>25,000</u>	<u>0</u>	<u>582,977</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>660,612</u>	<u>17,116</u>	<u>3,000</u>	<u>412,889</u>	<u>1,093,617</u>
Fund Cash Balances, January 1	<u>1,281,310</u>	<u>0</u>	<u>7,365</u>	<u>817,498</u>	<u>2,106,173</u>
Fund Cash Balances, December 31	<u><u>\$1,941,922</u></u>	<u><u>\$17,116</u></u>	<u><u>\$10,365</u></u>	<u><u>\$1,230,387</u></u>	<u><u>\$3,199,790</u></u>
Reserve for Encumbrances, December 31	<u><u>\$606,901</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$69,907</u></u>	<u><u>\$676,808</u></u>

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

**WORTHINGTON SCHOOL DISTRICT PUBLIC LIBRARY
FRANKLIN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Worthington School District Public 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 Worthington 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. Except gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

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

These funds are 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 had the following significant Special Revenue Funds:

Termination Benefits/27th Pay Fund: This fund was established for the purpose of retirement payout benefits or when a year occurs where there are 27 pays within that year.

**WORTHINGTON SCHOOL DISTRICT PUBLIC 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. Debt Service Fund

The debt service fund is used to accumulate resources for the payment of bond indebtedness.

4. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Library had the following significant capital project funds:

Building Fund: This fund is used to record expenditures relating to building projects, such as the improvements to the Libraries, and construction of new and future libraries.

Technology Fund: This fund is used to record expenditures relating to the upgrade and improvements in computer equipment.

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 cancelled and re-appropriated in the subsequent year.

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.

**WORTHINGTON SCHOOL DISTRICT PUBLIC LIBRARY
FRANKLIN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2000</u>	<u>1999</u>
Demand deposits	\$14,175	\$28,095
Total deposits	14,175	28,095
STAR Ohio	3,808,477	3,171,696
Total investments	3,808,477	3,171,696
Total deposits and investments	\$3,822,652	\$3,199,791

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

Investments: Investment in STAR Ohio is not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$7,572,854	\$6,644,916	(\$927,938)
Special Revenue	42,116	25,000	(17,116)
Debt Service	220,365	210,000	(10,365)
Capital Projects	1,339,504	179,025	(1,160,479)
Total	\$9,174,839	\$7,058,941	(\$2,115,898)

**WORTHINGTON SCHOOL DISTRICT PUBLIC LIBRARY
FRANKLIN COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$6,296,525	\$6,672,136	(\$375,611)
Special Revenue	25,000	0	25,000
Debt Service	220,365	206,250	14,115
Capital Projects	325,000	253,250	71,750
Total	<u>\$6,866,890</u>	<u>\$7,131,636</u>	<u>(\$264,746)</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$6,943,631	\$6,512,105	(\$431,526)
Special Revenue	25,000	25,000	0
Debt Service	227,365	220,000	(7,365)
Capital Projects	1,275,000	582,977	(692,023)
Total	<u>\$8,470,996</u>	<u>\$7,340,082</u>	<u>(\$1,130,914)</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$6,490,977	\$6,458,394	\$32,583
Special Revenue	25,000	7,884	17,116
Debt Service	227,365	217,000	10,365
Capital Projects	650,000	239,995	410,005
Total	<u>\$7,393,342</u>	<u>\$6,923,273</u>	<u>\$470,069</u>

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 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.

**WORTHINGTON SCHOOL DISTRICT PUBLIC LIBRARY
FRANKLIN COUNTY**

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

4. GRANTS-IN-AID AND TAX RECEIPTS (Continued)

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the taxing authority of the subdivision to whose jurisdiction the Library is subject. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Other Governments Grants In Aid. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, 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.

Tangible personal property tax is assessed by the property owners, who must file a list of such 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

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
Revenue Bond Issue	\$1,540,000	5.836%
Total	\$1,540,000	

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

Year ending December 31:	General Obligation Bonds
2001	\$200,585
2002	194,755
2003	188,815
2004	182,765
2005	176,660
Subsequent	1,293,985
Total	\$2,237,565

The Revenue bonds were issued for the purpose of building and operating the Northwest Library.

**WORTHINGTON SCHOOL DISTRICT PUBLIC LIBRARY
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(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 also 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 in 1999, and 10.84% 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 insurance and dental and vision coverage to full-time employees through a private carrier.



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

Worthington School District Public Library
Franklin County
820 High Street
Worthington, Ohio 43085

To the Board of Trustees:

We have audited the accompanying financial statements of the Worthington School District Public 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 May 10, 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 May 10, 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.

Worthington School District Public Library
Franklin County
Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

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

JIM PETRO
Auditor of State

May 10, 2001



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WORTHINGTON SCHOOL DISTRICT PUBLIC 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
JUNE 7, 2001**