



**WORNSTAFF MEMORIAL PUBLIC LIBRARY  
DELAWARE COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2001-2000**



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

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**STATE OF OHIO**



**WORNSTAFF MEMORIAL PUBLIC LIBRARY  
DELAWARE COUNTY**

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Board of Trustees  
Wornstaff Memorial Public Library  
Delaware County  
302 East High Street  
Ashley, Ohio 43003

We have audited the accompanying financial statements of the Wornstaff Memorial Public Library, Delaware County, Ohio, (the Library) as of and for the years ended December 31, 2001 and December 31, 2000 . These financial statements are the responsibility of the Library's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Library prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances and reserve for encumbrances of the Library as of December 31, 2001 and December 31, 2000, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2002 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

February 14, 2002

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**WORNSTAFF MEMORIAL PUBLIC LIBRARY  
DELAWARE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<b>General</b>
<b>Cash Receipts:</b>	
Government Grants- In- Aid	\$170,368
Patron Fines and Fees	2,792
Earnings on Investments	3,075
Contributions, Gifts and Donations	240
Miscellaneous Receipts	466
Total Cash Receipts	176,941
<b>Cash Disbursements:</b>	
Current:	
Salaries and Benefits	97,233
Purchased and Contracted Services	19,888
Library Materials and supplies	31,792
Capital Outlay	588
Total Cash Disbursements	149,501
Total Cash Receipts Over/(Under) Cash Disbursements	27,440
<b>Other Financing Receipts/(Disbursements):</b>	
Proceeds from Sales of Property	502
Total Other Financing Receipts/(Disbursements)	502
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	27,942
Fund Cash Balances, January 1	84,185
<b>Fund Cash Balances, December 31</b>	<b>\$112,127</b>
Reserves for Encumbrance, December 31	\$924

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

**WORNSTAFF MEMORIAL LIBRARY  
DELAWARE COUNTY**

**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>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Project</u>	
<b>Cash Receipts:</b>			
Government Grants in Aid	\$162,359	\$0	\$162,359
Patron Fines and Fees	2,992	0	2,992
Earnings on Investments	3,430	0	3,430
Contributions, Gifts and Donations	315	0	315
Miscellaneous Receipts	100	0	100
	<u>169,196</u>	<u>0</u>	<u>169,196</u>
<b>Cash Disbursements:</b>			
Current:			
Salaries and Benefits	91,537	0	91,537
Purchased and Contracted Services	17,830	0	17,830
Library Materials and supplies	25,926	0	25,926
Capital Outlay	5,082	13	5,095
	<u>140,375</u>	<u>13</u>	<u>140,388</u>
Total Cash Disbursements	<u>140,375</u>	<u>13</u>	<u>140,388</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>28,821</u>	<u>(13)</u>	<u>28,808</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Proceeds from Sales of Property	260	0	260
Transfers-In	6,045	0	6,045
Transfers-Out		(6,045)	(6,045)
	<u>6,305</u>	<u>(6,045)</u>	<u>260</u>
Total Other Financing Receipts/(Disbursements)	<u>6,305</u>	<u>(6,045)</u>	<u>260</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	35,126	(6,058)	29,068
Fund Cash Balances, January 1	<u>49,059</u>	<u>6,058</u>	<u>55,117</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$84,185</u></b>	<b><u>\$0</u></b>	<b><u>\$84,185</u></b>
Reserves for Encumbrances, December 31	<u>\$4,296</u>	<u>\$0</u>	<u>\$4,296</u>

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

**WORNSTAFF MEMORIAL PUBLIC LIBRARY  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Wornstaff Memorial Public Library, Delaware County, Ohio (the Library) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Library is directed by a five -member Board of Trustees appointed by the members of the Board and serve as trustees on a volunteer basis. 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. Capital Project Fund**

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Library had one capital project fund for computerizing the Library. This fund was closed out in 2000.

**WORNSTAFF MEMORIAL PUBLIC LIBRARY  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

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

**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 Library reserves (encumbers) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2001 and 2000 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.

**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>2001</u>	<u>2000</u>
Demand deposits	<u>\$48,829</u>	<u>\$33,332</u>
Total deposits	<u>48,829</u>	<u>33,332</u>
STAR Ohio	<u>63,298</u>	<u>50,853</u>
Total investments	<u>63,298</u>	<u>50,853</u>
Total deposits and investments	<u><u>\$112,127</u></u>	<u><u>\$84,185</u></u>

**WORNSTAFF MEMORIAL PUBLIC LIBRARY  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)**

**Deposits:** Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the Financial Institutions public entity deposit pool,

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2001 and December 31, 2000 follow:

**2001 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$162,739	\$177,443	\$14,704
Total	\$162,739	\$177,443	\$14,704

**2001 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$210,610	\$150,425	\$61,185
Total	\$210,610	\$150,425	\$61,185

**2000 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$154,480	\$175,501	\$21,021
Capital Projects	0	0	0
Total	\$154,480	\$175,501	\$21,021

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

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$187,900	\$144,671	\$43,229
Capital Projects	6,058	6,058	0
Total	\$193,958	\$150,729	\$43,229

**WORNSTAFF MEMORIAL PUBLIC LIBRARY  
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**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.

**5. 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 9.57% for the period July 1, 2000 through December 31, 2000 and for the balance of the audit period, an amount equal to 13.55% of participants' gross salaries. The Library has paid all contributions required through December 31, 2001.

**6. RISK MANAGEMENT**

The Library has obtained commercial insurance for the following risks:

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

The Library is uninsured for the following risks:

- Comprehensive property and general liability
- Errors and omissions

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



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

Board of Trustees  
Wornstaff Memorial Public Library  
Delaware County  
302 East High Street  
Ashley, Ohio 43003

We have audited the financial statements of the Wornstaff Memorial Public Library, Delaware County, Ohio (the Library), as of and for the years ended December 31, 2001 and December 31, 2000, and have issued our report thereon dated February 14, 2002. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the Library's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### 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.

Wornstaff Memorial Public Library  
Delaware County  
Report on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
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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

February 14, 2002



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**WORNSTAFF MEMORIAL PUBLIC LIBRARY**

**DELAWARE 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 5, 2002**