



**Auditor of State  
Betty Montgomery**



**WAUSEON EXEMPTED SCHOOL DISTRICT LIBRARY  
FULTON COUNTY**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANT'S REPORT**

Wauseon Exempted School District Library  
Fulton County  
117 E. Elm St.  
Wauseon, OH 43567-1471

To the Board of Trustees:

We have audited the accompanying financial statements of Wauseon Exempted School District Library, Fulton County (the Library) as of and for the years ended December 31, 2002 and 2001. 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 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. Those standards require that we plan and perform the audits 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 fund cash balances and reserves for encumbrances of the Library as of December 31, 2002 and 2001, 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 March 11, 2003 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.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

March 11, 2003

**WAUSEON EXEMPTED SCHOOL DISTRICT LIBRARY  
FULTON COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>			
Property and Other Local Taxes	\$383,895		\$383,895
Patron Fines and Fees	13,172		13,172
Earnings on Investments	8,056	\$6,528	14,584
Contributions, Gifts and Donations	1,997		1,997
Miscellaneous Receipts	35,504		35,504
	<hr/>		<hr/>
Total Cash Receipts	442,624	6,528	449,152
	<hr/>		<hr/>
<b>Cash Disbursements:</b>			
Current:			
Salaries and Benefits	231,060		231,060
Purchased and Contracted Services	59,274		59,274
Supplies	9,921		9,921
Library Materials and Information	67,534		67,534
Other Objects	8,484		8,484
Capital Outlay	8,756		8,756
	<hr/>		<hr/>
Total Cash Disbursements	385,029		385,029
	<hr/>		<hr/>
Total Cash Receipts Over Cash Disbursements	57,595	6,528	64,123
	<hr/>		<hr/>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In		31,213	31,213
Transfers-Out	(31,213)		(31,213)
	<hr/>		<hr/>
Total Other Financing Receipts/(Disbursements)	(31,213)	31,213	
	<hr/>		<hr/>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	26,382	37,741	64,123
	<hr/>		<hr/>
Fund Cash Balances, January 1	286,771	438,272	725,043
	<hr/>		<hr/>
<b>Fund Cash Balances, December 31</b>	<b><u>\$313,153</u></b>	<b><u>\$476,013</u></b>	<b><u>\$789,166</u></b>
	<hr/>		<hr/>
Reserves for Encumbrances, December 31	<u>\$5,131</u>		<u>\$5,131</u>
	<hr/>		<hr/>

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

**WAUSEON EXEMPTED SCHOOL DISTRICT LIBRARY  
FULTON COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>			
Property and Other Local Taxes	\$410,134		\$410,134
Patron Fines and Fees	11,621		11,621
Earnings on Investments	23,601	\$17,978	41,579
Contributions, Gifts and Donations	1,510		1,510
Miscellaneous Receipts	1,687		1,687
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	448,553	17,978	466,531
<b>Cash Disbursements:</b>			
Current:			
Salaries and Benefits	208,554		208,554
Purchased and Contracted Services	89,575		89,575
Supplies	7,762		7,762
Library Materials and Information	54,342		54,342
Other Objects	5,710		5,710
Capital Outlay	23,956		23,956
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	389,899		389,899
	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over Cash Disbursements	58,654	17,978	76,632
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In		635	635
Transfers-Out	(635)		(635)
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(635)	635	
	<hr/>	<hr/>	<hr/>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	58,019	18,613	76,632
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	228,752	419,659	648,411
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b><u>\$286,771</u></b>	<b><u>\$438,272</u></b>	<b><u>\$725,043</u></b>
	<hr/>	<hr/>	<hr/>
Reserves for Encumbrances, December 31	<u>\$6,492</u>		<u>\$6,492</u>

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

**WAUSEON EXEMPTED SCHOOL DISTRICT LIBRARY  
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Wauseon Exempted School District Library, Fulton 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 Ohio. The Library is directed by a seven-member Board of Trustees appointed by Wauseon Exempted 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. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Certificates of deposit are valued at cost. 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 Funds**

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 the following significant capital project fund:

**WAUSEON EXEMPTED SCHOOL DISTRICT LIBRARY  
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

*Building and Repair Fund* – This fund receives funds from general operations and interest earned on investments. This fund is to be used to construct a new library addition and for equipment purchases.

**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 fund, object level of control.

A summary of 2002 and 2001 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 Sick Leave**

Employees are entitled to cash payments for unused sick leave in certain circumstances, such as upon leaving employment. Unpaid sick leave is not reflected as a liability 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:

	2002	2001
Demand deposits	\$165,109	\$109,936
Certificates of deposit	487,680	481,152
Total deposits	652,789	591,088
STAR Ohio	136,332	133,910
Total investments	136,332	133,910
Total deposits and investments	\$789,121	\$724,998

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

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

**Cash on hand:** The Library maintains a \$45 petty cash and change fund.

**WAUSEON EXEMPTED SCHOOL DISTRICT LIBRARY  
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$749,057	\$421,373	\$327,684
Capital Projects	447,886		447,886
Total	\$1,196,943	\$421,373	\$775,570

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$680,624	\$397,026	\$283,598
Capital Projects	438,660		438,660
Total	\$1,119,283	\$397,026	\$722,257

**4. TAX RECEIPTS**

The primary source of revenue for Ohio public libraries is the State Library and Local Government Support Fund (LLGSF). The State Tax Commissioner is responsible for estimating to the county auditor the amount of LLGSF revenue expected for the next calendar year. The Fulton County Budget Commission utilizes a distribution formula agreed upon by the libraries within the county's jurisdiction. The Budget Commission cannot reduce its allocation of these funds to the Library on account of any additional revenues realized by the Library.

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. 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. RETIREMENT SYSTEM**

The Ohio Public Employees Retirement System (OPERS) is a state operated, cost-sharing, multiple employer public employee retirement system. OPERS provides retirement benefits to

**WAUSEON EXEMPTED SCHOOL DISTRICT LIBRARY  
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

vested employees who are eligible to retire based upon years of service. OPERS also provides survivor and disability benefits to vested employees.

Contribution rates are also prescribed by the Ohio Revised Code. The Library's OPERS members contributed 8.5% of their gross salaries. The Library contributed an amount equal to 13.55% of participants' gross salaries. The Library has paid all contributions required through December 31, 2002.

**6. RISK MANAGEMENT**

**Commercial Insurance**

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

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



**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Wauseon Exempted School District Library  
Fulton County  
117 E. Elm St.  
Wauseon, OH 43567-1471

To the Board of Trustees:

We have audited the accompanying financial statements of Wauseon Exempted School District Library, Fulton County (the Library) as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated March 11, 2003. 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 audits 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 audits, we considered the 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.

This report is intended solely 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.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

March 11, 2003



**Auditor of State  
Betty Montgomery**

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800-282-0370

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**WAUSEON EXEMPTED SCHOOL DISTRICT LIBRARY**

**FULTON 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  
APRIL 3, 2003**