



**Auditor of State
Betty Montgomery**

**WORTHINGTON SCHOOL DISTRICT PUBLIC LIBRARY
FRANKLIN COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2002.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2001.....	4
Notes to the Financial Statements	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11

This page intentionally left blank.



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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, 2002, and December 31, 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 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 combined fund cash balances and reserves for encumbrances of the Library as of December 31, 2002, and December 31, 2001, 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 April 17, 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.

35 N. Fourth St. / Second Floor / Columbus, OH 43215
Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199
www.auditor.state.oh.us

This report is intended solely for the information and use of the Finance/Operations Committee, management, the 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

April 17, 2003

**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, 2002**

	<u>Governmental Fund Types</u>				<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Property and Other Local Taxes	\$2,988,659	\$0	\$0	\$0	\$2,988,659
Other Government Grants-In-Aid	2,426,647	0	195,000	0	2,621,647
Patron Fines and Fees	278,641	0	0	0	278,641
Earnings on Investments	77,719	0	0	0	77,719
Contributions, Gifts and Donations	2,305	0	0	0	2,305
Miscellaneous Receipts	703,250	0	0	0	703,250
	<u>6,477,221</u>	<u>0</u>	<u>195,000</u>	<u>0</u>	<u>6,672,221</u>
Total Cash Receipts					
Cash Disbursements:					
Current:					
Salaries and Benefits	3,866,428	34,024	0	0	3,900,452
Purchased and Contracted Services	893,867	0	0	20,201	914,068
Library Materials and Information	1,219,609	0	0	0	1,219,609
Supplies	112,830	0	0	0	112,830
Other Objects	11,597	0	0	0	11,597
Debt Service:					
Redemption of Principal	0	0	110,000	0	110,000
Interest Payments and Other Financing Fees and Costs	0	0	84,755	0	84,755
Capital Outlay	48,397	0	0	111,358	159,755
	<u>6,152,728</u>	<u>34,024</u>	<u>194,755</u>	<u>131,559</u>	<u>6,513,066</u>
Total Cash Disbursements					
Total Cash Receipts Over/(Under) Cash Disbursements	324,493	(34,024)	245	(131,559)	159,155
Fund Cash Balances, January 1, 2002	2,824,710	67,116	18,530	995,928	3,906,284
Fund Cash Balances, December 31, 2002	<u><u>\$3,149,203</u></u>	<u><u>\$33,092</u></u>	<u><u>\$18,775</u></u>	<u><u>\$864,369</u></u>	<u><u>\$4,065,439</u></u>
Reserves for Encumbrances, December 31, 2002	<u><u>\$513,728</u></u>	<u><u>\$2,278</u></u>	<u><u>\$0</u></u>	<u><u>\$18,685</u></u>	<u><u>\$534,691</u></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, 2001**

	<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	\$2,945,181	\$0	\$0	\$0	\$2,945,181
Other Government Grants-In-Aid	2,661,745	0	205,000	0	2,866,745
Patron Fines and Fees	267,198	0	0	0	267,198
Earnings on Investments	176,913	0	0	0	176,913
Contributions, Gifts and Donations	1,373	0	0	0	1,373
Miscellaneous Receipts	673,153	0	0	0	673,153
	<u>6,725,563</u>	<u>0</u>	<u>205,000</u>	<u>0</u>	<u>6,930,563</u>
Cash Disbursements:					
Current:					
Salaries and Benefits	3,728,311	0	0	0	3,728,311
Purchased and Contracted Services	1,028,490	0	0	73,130	1,101,620
Library Materials and Information	1,327,848	0	0	0	1,327,848
Supplies	119,623	0	0	0	119,623
Other Objects	11,181	0	0	0	11,181
Debt Service:					
Redemption of Principal	0	0	110,000	0	110,000
Interest Payments and Other Financing Fees and Costs	0	0	90,585	0	90,585
Capital Outlay	58,042	0	0	299,720	357,762
	<u>6,273,495</u>	<u>0</u>	<u>200,585</u>	<u>372,850</u>	<u>6,846,930</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>452,068</u>	<u>0</u>	<u>4,415</u>	<u>(372,850)</u>	<u>83,633</u>
Other Financing Receipts/(Disbursements):					
Transfers-In	0	25,000	0	75,000	100,000
Transfers-Out	(100,000)	0	0	0	(100,000)
	<u>(100,000)</u>	<u>25,000</u>	<u>0</u>	<u>75,000</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	352,068	25,000	4,415	(297,850)	83,633
Fund Cash Balances, January 1, 2001	2,472,642	42,116	14,115	1,293,778	3,822,651
Fund Cash Balances, December 31, 2001	<u>\$2,824,710</u>	<u>\$67,116</u>	<u>\$18,530</u>	<u>\$995,928</u>	<u>\$3,906,284</u>
Reserves for Encumbrances, December 31, 2001	<u>\$535,942</u>	<u>\$0</u>	<u>\$0</u>	<u>\$21,521</u>	<u>\$557,463</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, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Worthington School District Public Library, Franklin 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 Ohio. The Library is directed by a seven member Board of Trustees appointed by Worthington School District Board of Education. The Library provides the community with various educational and literary resources.

The Library is in a joint venture with the Columbus Metropolitan Library in which both organizations manage the Northwest Library. Each organization is jointly responsible for operating expenses and management of the Northwest Library. The Northwest Library is composed of six trustees who are appointed by the Library and the Columbus Metropolitan Library (3 each).

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.

Money Market mutual funds (including STAR OHIO) are recorded at share values reported by the mutual fund.

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.

**WORTHINGTON SCHOOL DISTRICT PUBLIC LIBRARY
FRANKLIN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds

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 Fund:

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.

3. Debt Service Fund

The Debt Service Fund is used to accumulate resources for the payment of bond indebtedness related to the construction of the Northwest Library.

4. Capital Projects Funds

These funds are 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 Projects Funds:

Building Fund: This fund is used to record expenditures related to building projects, including the improvements to the Libraries, and construction of new and future facilities.

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

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, function, and 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.

**WORTHINGTON SCHOOL DISTRICT PUBLIC LIBRARY
FRANKLIN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the basis of accounting the Library uses.

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	\$23,714	\$16,024
Total deposits	23,714	16,024
STAR Ohio	4,041,725	3,890,260
Total investments	4,041,725	3,890,260
Total deposits and investments	\$4,065,439	\$3,906,284

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

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, 2002 and December 31, 2001 follows:

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$7,283,963	\$6,666,456	\$617,507
Special Revenue	50,000	36,302	13,698
Debt Service	213,530	194,755	18,775
Capital Projects	321,521	150,244	171,277
Total	\$7,869,014	\$7,047,757	\$821,257

**WORTHINGTON SCHOOL DISTRICT PUBLIC LIBRARY
FRANKLIN COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$7,415,868	\$6,909,437	\$506,431
Special Revenue	25,000	0	25,000
Debt Service	219,115	200,585	18,530
Capital Projects	1,112,616	394,371	718,245
Total	\$8,772,599	\$7,504,393	\$1,268,206

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 based on of any additional revenues the Library receives.

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 payments, 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.

**WORTHINGTON SCHOOL DISTRICT PUBLIC LIBRARY
FRANKLIN COUNTY**

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

5. DEBT

Debt outstanding at December 31, 2002 was as follows:

	Principal	Interest Rate
Revenue Bond Issue, Series 94	1,320,000	5.836%
Total	\$1,320,000	

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

	Revenue Bond Series 94
Year ending December 31:	
2003	\$188,815
2004	182,765
2005	176,660
2006	170,445
2007	164,120
2008-2014	959,420
Total	\$1,842,225

The Revenue Bonds were issued for the purpose of building and operating the Northwest Library. The Library receives other grants in aid to pay the debt.

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 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 for 2001 and 2002. The Library has paid all contributions required through December 31, 2002.

**WORTHINGTON SCHOOL DISTRICT PUBLIC LIBRARY
FRANKLIN COUNTY**

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

7. RISK MANAGEMENT

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

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

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



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' 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, 2002 and December 31, 2001 and have issued our report thereon dated April 17, 2003. 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.

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 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 Finance/Operations Committee, management, and the 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

April 17, 2003



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

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 24, 2003**