

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

SUPPLEMENTAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2017



Dave Yost • Auditor of State

Board of Trustees
Westerville School District Library
126 South State Street
Westerville, OH 43081

We have reviewed the *Independent Auditor's Report* of the Westerville School District Library, Franklin County, prepared by Julian & Grube, Inc., for the audit period January 1, 2017 through December 31, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Westerville School District Library is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

June 6, 2018

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**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

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Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

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 the governmental activities, each major fund, and the aggregate remaining fund information of the Westerville School District Library, Franklin County, Ohio, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Westerville School District Library's basic financial statements and have issued our report thereon dated May 17, 2018, wherein we noted the Westerville School District Library changed its accounting basis to Governmental Accounting Standard Board Statement No. 34 *Basic Financial Statements*.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Westerville School District 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 Westerville School District 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 Westerville School District 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.

Board of Trustees
Westerville School District Library

Compliance and Other Matters

As part of reasonably assuring whether the Westerville School District 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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 Westerville School District Library's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Westerville School District Library's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Julian & Grube, Inc.
May 17, 2018

Comprehensive Annual Financial Report

For the Fiscal Year Ended December 31, 2017



Westerville
Public Library

Prepared by the Office of Dan Griscom, Fiscal Officer

126 S. State St. Westerville, Ohio 43081 | 614-882-7277 | westervillelibrary.org

**WESTERVILLE
PUBLIC LIBRARY**

FRANKLIN COUNTY, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017

PREPARED BY THE OFFICE OF:

*DAN GRISCOM,
FISCAL OFFICER*

*126 S. STATE STREET
WESTERVILLE, OHIO 43081*

INTRODUCTORY SECTION

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017**

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Westerville Public Library

May 17, 2018

Citizens who reside in the Westerville City School District
Members of the Westerville School District Library Board of Trustees

The Comprehensive Annual Financial Report (CAFR) of the Westerville School District Library (the Library), also commonly referred to as the “Westerville Public Library,” is hereby presented. This CAFR, for the calendar year ended December 31, 2017, has been prepared using generally accepted accounting principles (GAAP) for governments. It contains financial and statistical data that provide complete and full disclosure of all material aspects of the Library.

Ohio law requires that public offices reporting pursuant to generally accepted accounting principles shall file their reports with the Auditor of the State of Ohio and publish notice of the availability of the financial statements within 150 days of the close of the year. This report is published to fulfill that requirement for the calendar year ended December 31, 2017.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Ohio law requires independent audits to be performed on all financial operations of the Library either by the Auditor of State or an independent public accounting firm, if permitted by the Auditor of State. Julian and Grube, Inc., performed the audit for the year ended December 31, 2017. The Independent Auditor’s Report on the basic financial statements is included in the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the Independent Auditor’s Report and provides a narrative introduction, overview, analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The Library is located in Westerville, and the service area includes Westerville, parts of Columbus, northeast Franklin County and southern Delaware County

The Library is organized under Ohio State law as a school district public library. A seven-member Board of Trustees governs the Library. Board members hold positions as educators, accountants, independent business owners, attorneys and a variety of other occupations. They come together to apply their knowledge and experience and offer insights to provide management guidance and oversight to the Library.

Under the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14 “The Financial Reporting Entity”, GASB Statement No. 39, “Determining Whether Certain Organizations are Component Units, an amendment of GASB Statement No. 14”, and GASB Statement No. 61 “Omnibus-an amendment of GASB Statements No. 14 and No. 34”, the Library is considered to be a related organization of the Westerville City School District.

The Executive Director is responsible for the administration of the Library, and the Fiscal Officer oversees the Library’s financial affairs. The Board of Trustees has appointed Erin Francoeur to serve as Executive Director and Dan Griscom to serve as Fiscal Officer.

The Taxing Authority for the Library is the Westerville City School District Board of Education, but the Library operates under a separate budget with funds derived primarily from the Public Library Fund and a 2.0-mill property tax levy. The Library is fiscally independent of the Westerville City School District Board of Education, although the Board of Education serves in a ministerial capacity as the taxing authority for the Library. The Board of Trustees independently determines whether to request approval of a tax levy and the role and purpose(s) of the levy. If a request is approved, the Board of Education must put the levy on the ballot. There is no potential for the Library to provide a financial benefit or to impose a financial burden on the Board of Education.

HISTORY OF THE WESTERVILLE PUBLIC LIBRARY

In 1930, after a P.T.A. committee recommended the establishment of a public library, the Westerville City Schools Board passed a resolution creating the Westerville Public Library. At the second Library board meeting in August 1930, the Anti-Saloon League, whose headquarters were in Westerville, offered the first floor of the former home of one of their leaders to house the Library. This offer was accepted and on December 15, 1930, the doors to the Westerville Public Library were opened in the former Rev. Purley Baker residence at the corner of Park and Grove Streets. Within two weeks the Library had circulated 809 books and had 885 registered borrowers. This trajectory of growth in service has defined the role of the Library in the community throughout its existence.

By 1933, the Library was outgrowing its first home. The town of Westerville was in the process of remodeling a private home on State Street to house the municipal offices and offered the second floor of this expanded dwelling to the Library. The years while the Library was housed at this location were a period of great activity both in circulation of materials and programming for all ages. Educational programming for youth was a special focus for the Library and early in its history it began story hours for children, a summer reading program and school tours and visits to the Library. A high school “annex” was operated in the school across the street (today Hanby Elementary) in a room supplied with required and recreational reading. However, by 1950, much of the successful programming of the Library had to be curtailed due to lack of space and 6,000 books were stored offsite at the Masonic Temple.

The Westerville voters responded to the call for expanded quarters to resolve this deficiency in space. In November 1947, 73.8% of the votes were cast in favor of a three-mill levy for five years to pay for a new library building. Land was donated on South State Street by the Anti-Saloon League, a new building was erected and dedicated March 1955. In the following decades, new services were added including a bookmobile, photograph collection, film collection, and increased meeting room space.

In 1973, the sole trustee of the Anti-Saloon League donated their old headquarters building to the Library. This structure, located just to the north of the Library, was filled with books and papers which made up an extensive collection of temperance material. The acquisition of this building provided the Library with an opportunity to grow. In 1979, a levy passed and 17,820 square feet of space was added to the Library and the two buildings were connected in the process.

From the 1980s until today, the Library has been in the forefront of adopting new technologies to better serve the community. This began when the Library’s catalogue moved online to replace the card-filled boxes and computers were provided for the public to search for materials. As growth in use and users continued, the Library turned to several other new technologies in the early 1990s to alleviate the problems associated with a rapidly expanding population. Westerville customers became the first in the state to use self-check-out machines. The Library was the first in Ohio to offer full internet access to patrons via the World Wide Web. The Library partnered with several businesses to develop a revolutionary new product called “The Library Channel.” This new internet interface made it possible for librarians to select reliable and valuable websites and load them into “cyber” shelves that were made instantly available to Library customers. Three hundred libraries across the country purchased this product. In 1999, more services were added which aided the Library in serving the community. Customers could view their library accounts via the internet. They also could reserve materials online and pick them up at the Library. Because of the Westerville Public Library’s commitment to creating better customer service through innovative means, in 1999, it was recognized as the top-ranked library among all in the nation serving populations between 50,000 and 99,000.

As the Library was continuing to make great strides in innovative technology to serve customers, the building was becoming more cramped with bookshelves overflowing and seating capacity for only 60 people. On May 2, 1995, voters responded with 63% voting for an expansion project to add 27,000 square feet. Features of this addition were a gift shop run by the Friends of the Library and the convenience of a drive-up window for picking up reserves. As demand for library services grew, funding was shrinking. To remedy this the citizens of Westerville said “yes” to an operating levy in 2002. The media department was enlarged, a computer area for children was provided, and a new teen area was created. In 2004, more renovations and expansions were undertaken. Library Link which provided daily deliveries to every school in the district began. The youth area was increased and the administration department which had been housed in the old Anti-Saloon League building since it was donated to the Library was moved to a newly created space which allowed the local history collections to expand into the space vacated by that move.

In 2007, a replacement levy on the ballot passed by a 78% margin signaling the approval of the public for the services provided by the Library. The Library consistently ranked among the best libraries in the nation. The leadership of five directors through its years of existence led to the Library’s reputation of being one of the most beloved institutions in the community. From Cora Bailey, the first librarian and director, to current director, Erin Francoeur, who began serving in June of 2017, the philosophy of the director, staff and board of the Westerville Public Library has been to foresee the needs of the citizens of the community and meet them with innovative technologies and enhancements using cost-effective methods.

COMMUNITY OUTLOOK

The City of Westerville is located in the northeast corner of Ohio’s fastest growing region. Westerville is a vital city of 37,000 residents, a leader in job creation, and is located just 10 miles from the airport and the state capital of Columbus. Westerville has immediate access to I-71 and I-270. Westerville has grown throughout the years to become central Ohio’s largest suburb, yet has managed to maintain a small-town feel while preserving its physical and cultural past. Residents consider Westerville’s charm and its historic Uptown District to be among their favorite community attributes.

Westerville land use is approximately 65 percent residential and 35 percent industrial or commercial. The city provides more city services than any other central Ohio suburb: full-time police, full-time firefighters, electric and water divisions, a community recreation center, and a data center. Westerville City School District’s estimated population is 96,000 and is comprised of 23 school buildings serving an estimated 15,000 students.

ECONOMIC CONDITION AND OUTLOOK

The operational revenue is based on two major sources of fund, the Public Library Fund (PLF) and local property tax levies. The PLF is an amount which the State of Ohio appropriates in their biennium budget to support libraries throughout Ohio. For the current biennium, fiscal years 2018 and 2019, this appropriation is based on 1.68% of the total tax revenue collected to the state’s General Revenue Fund (GRF). Each county receives a portion of this allocation which is further allocated to the libraries in the county.

The second source of funding for the Library is through a property tax levy passed by the residents of the Westerville City School District. A five-year levy for .80 mills for current expenses was passed on November 5, 2002, and it was replaced with a five-year levy for .80 mills which passed on November 6, 2007. This levy was then replaced with a continuing levy for 2.00 mills which passed on November 8, 2011.

The Library’s current economic outlook is stable based on the combination of the PLF revenues and the continuing property tax levy, and the careful monitoring of expenditures.

FINANCIAL POLICIES AND LONG-TERM FINANCIAL PLANNING

All budgetary policies are established by Ohio law and/or the Board of Trustees. All funds have annual appropriations approved by the Board of Trustees. The budget process is as follows:

- A temporary appropriation budget is adopted and filed with the Franklin County Budget Commission by January 1.
- An annual appropriation budget is adopted and filed with the Franklin County Budget Commission by March 31.
- The level at which the Board of Trustees approves the budget becomes the legal level of control.
- Transfers of appropriations at this level require approval by the Board of Trustees.
- The annual appropriations may be amended or supplemented, based on needs during the year.
- The Franklin County Budget Commission provides an annual certificate of estimated resources. The Library's maximum annual appropriations are controlled by this document. The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Fiscal Officer.
- Policies on fines, fees and charges are established by the Board of Trustees.
- Library cash is pooled for investment.

The Board of Trustees receives a monthly update from the Fiscal Officer and copies of financial statements so that they are kept current on the financial condition of the Library.

The Finance and Facilities Committee serves an advisory role and makes recommendations to the Westerville Public Library Board of Trustees. Committee actions are subject to approval by a majority of the Board of Trustees. In general, the Committee works in conjunction with the Library's Fiscal Officer and Executive Director.

The responsibilities of the Finance and Facilities Committee includes but is not limited to overseeing and reviewing the budget, reviewing Library audits; performing cost analyses on proposals submitted by the Executive Director and making recommendations to the Board on these proposals. The Committee also reviews projects and services as they relate to Library facilities and provides recommendations to the Board. The Finance and Facilities Committee meets as necessary, but not less often than quarterly.

The Fiscal Officer, with guidance and input from the Finance and Facilities Committee, has developed a ten-year capital budget and financial projection for the Library. This ten-year budget will be updated annually and will assist the Board in long-term financial planning.

MAJOR INITIATIVES

Current

2017 was a year of great change for the Westerville Public Library. The Library welcomed Erin Francoeur as the new Executive Director after conducting an extensive national executive search to replace retiring Executive Director Don Barlow. Erin comes to Westerville with experience as the library director of Shasta Public Libraries in Northern California, for three years and Finney County Public Library in Southwest Kansas, for six years.

Library usage continued to be very high with over 510,000 visitors to the Library. In 2017, the Library circulated over 2 million books and other materials. The Library continues to experiment with lending non-traditional materials and both wi-fi hotspots and guitars are very popular items. For the 5th year in a row, the Library was once again recognized by Library Journal as a five-star library, ranked in the top 1% in the nation.

With the start of the new school year in the fall of 2017, the Library launched a new fines free policy. This change increases access to materials, creates a more positive customer experience and allows customers to avoid significant financial burdens while also saving staff time and costs associated with fines. It is the Library's mission to provide the community with books and learning materials. By removing fines, the Library has been able to remove one more barrier to access.

The Meet the Authors series continues to grow and bring in great talent and interest to the community. In 2017, the Library welcomed Chris Bohjalian, Emily Giffin, Mary Alice Monroe, Jay Asher (*13 Reasons Why*), Erik Larson (*Dead Wake, The Devil in the White City, & In the Garden of Beasts*), and Jeannette Walls (*The Glass Castle*). The line-up for 2018 so far includes Ernest Cline (*Ready Player One*), Karen White (in partnership with Otterbein University), Angie Thomas (*The Hate You Give*), and Alexander McCall Smith (*The No. 1 Ladies Detective Agency*).

Library programs continue to be very popular with nearly 50,000 people attending library programs. Summer is the busiest time of year for the Library, and over 1,300 people participated in the 2017 summer reading program. Other big programs included the solar eclipse viewing event, a spring baby animals program, life-sized Candyland, and Tunes and Tales, an annual event partnering with the Westerville Symphony which celebrated its 30th anniversary in 2018.

Thanks to the support of the Westerville Library Foundation, children under age 5 living in the Westerville School District can enroll in the Dolly Parton Imagination Library. Each enrolled child receives a free book delivered each month to their home to build their personal library. The program has continued to grow with over 2,000 children currently enrolled.

Future

New in 2018, the Library launched a satellite collection of new popular fiction titles in collaboration with Otterbein University. The collection, which is housed at the Otterbein Courtright Memorial Library, is the first permanent off-site collection for the Westerville Library. In addition to the Otterbein collection, the Library services and maintains 13 Little Free Libraries throughout the community.

A seed lending library that includes a variety of annuals, herbs, perennials and vegetables will be new in 2018. Patrons may borrow, grow, return and learn with an ever-changing selection of free seeds, donated by The Ohio State University Extension, Franklin County Office and Herman's Garden Seed Donation Program.

Guest Storytimes enable our patrons to meet people from all walks of life and hear their unique personal stories. Throughout the year, community members with diverse backgrounds are invited by the Library to encourage acceptance and promote respect while providing an enjoyable literacy experience. Presenters include: a drag queen and comedian (Nina West), the 7-year-old founder of Tiger Mushroom Farms (Te'Lario Watkins II), and Anna Mae Blankemeyer will share the story of Shirley's Gourmet Popcorn on July 28.

Coming in the summer of 2018 will be a new addition to the picture book room, an interactive treehouse. The Library's summer reading program will include a partnership with Westerville City Schools. Every elementary school student will receive a free book to kickstart participation in this year's Summer Reading Program. For the grown-ups, the Local History Center will be offering Prohibition Walking Tours throughout the summer.

The Library will be open for business during Fourth Fridays, one of Uptown Westerville's Signature Events. In addition to regular library services being available to visitors (such as restrooms and wi-fi), the Library will be hosting a variety of activities on the front lawn, including:

- Storybook character from the Ohio History Connection in April
- Wild animals from the Ohio Wildlife Center in May
- Safety obstacle course in June
- African drumming in July
- Dog wash in August
- Apple taste testing with Lynd's Fruit Farm in September
- Harry Potter festival in October.

The Library will be working with the Communica company on defining our strategic plan in 2018. While we are currently in the information gathering stages of this process, we are excited to see what the future holds for the Westerville Public Library as we continue to build and grow while still holding true to being a leading public library in America.

ACKNOWLEDGEMENTS

Appreciation is extended to the Board of Trustees of Westerville Public Library and Executive Director Erin Francoeur, Assistant Director Kristin Michel, and the Library's accounting department staff. Contributions of information from the following individuals were vital in preparing this transmittal letter: Program and Community Engagement Coordinator Erin Huffman, Manager of Local History Beth Weinhardt, Marketing Manager Tamara Murray, and Administrative Assistant Darlene Lawson. Special acknowledgement is extended to Julian & Grube, Inc. for their guidance in the preparation of this report.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Dan Griscom". The signature is written in a cursive style with a long, sweeping underline.

Dan Griscom
Fiscal Officer

WESTERVILLE PUBLIC LIBRARY

LIST OF PRINCIPAL OFFICIALS

DECEMBER 31, 2017

BOARD OF TRUSTEES

President	Mary Lightbody
Vice President	Michael Fultz
Secretary	John B. Shinnock
Member	Heather Creed
Member	Melissa Hodek
Member	Deanna McDaniel
Member	Shawn Smith

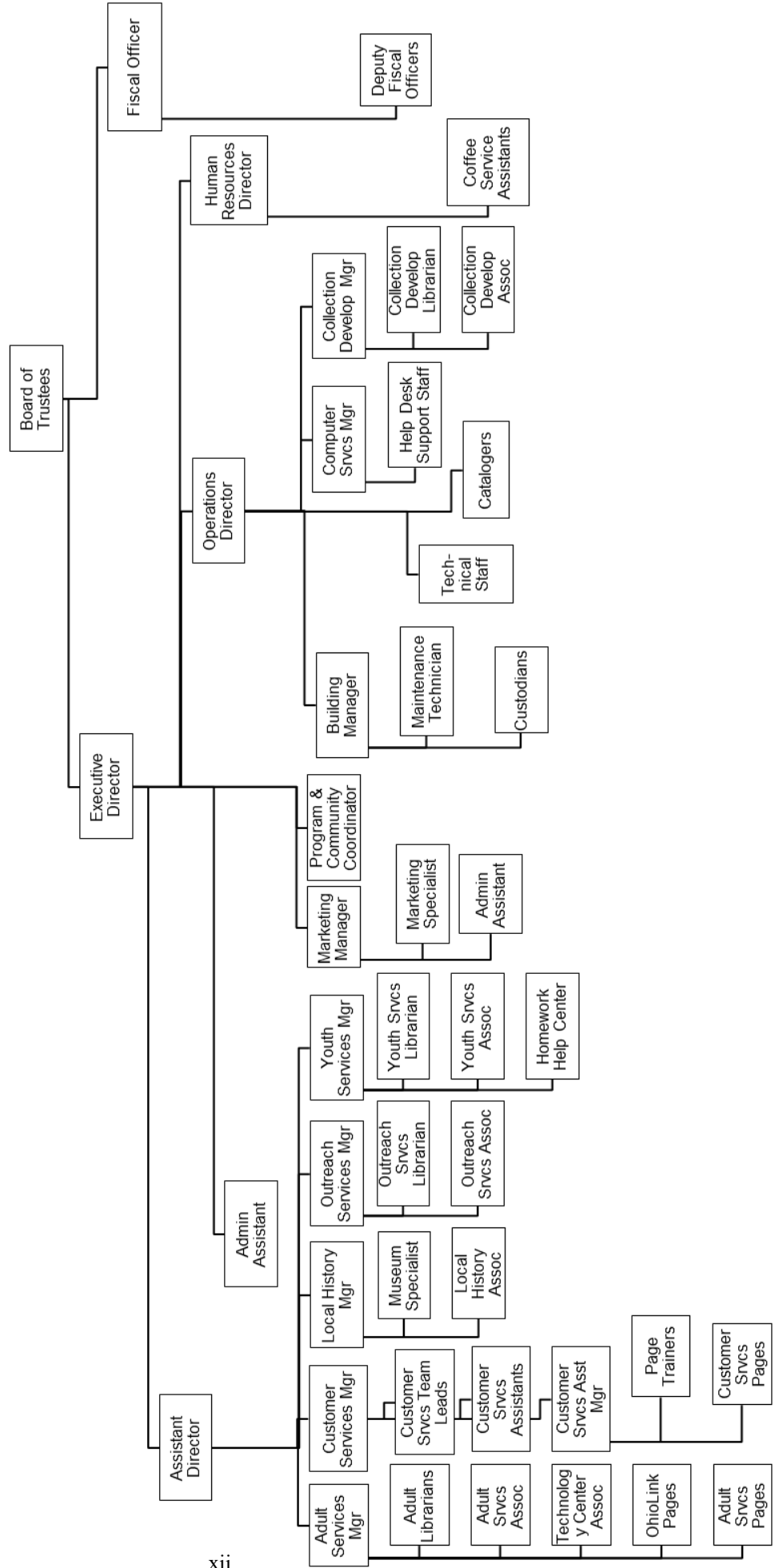
ADMINISTRATION

Executive Director	Erin Francoeur
Assistant Director	Kristin Michel
Fiscal Officer	Dan Griscom
Human Resources Director	Katrina Plourde
Operations Director	Steven Owley



Westerville Public Library

Organizational Chart



FINANCIAL SECTION



Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

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 of the governmental activities, each major fund, and the aggregate remaining fund information of the Westerville School District Library, Franklin County, Ohio, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Westerville School District Library's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are 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' *Government 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 Westerville School District 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 Westerville School District Library's internal control. Accordingly, we express no such 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Westerville School District Library, Franklin County, Ohio, as of December 31, 2017, and the respective changes in financial position thereof and the budgetary comparison for the General fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during 2017, the Westerville School District Library has elected to change its financial presentation to Governmental Accounting Standard Board Statement No. 34 *Basic Financial Statements*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis* and schedules of net pension liability/asset and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the Westerville School District Library's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2018, on our consideration of the Westerville School District 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 *Government Auditing Standards* in considering the Westerville School District Library's internal control over financial reporting and compliance.



Julian & Grube, Inc.
May 17, 2018

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)*

The management's discussion and analysis of the Westerville School District Library's (the "Library") financial performance provides an overall review of the Library's financial activities for the year ended December 31, 2017. The intent of this discussion and analysis is to look at the Library's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Library's financial performance.

Financial Highlights

Key financial highlights for 2017 are as follows:

- The Library has prepared, for the first time, financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The restatement to net cash position as previously reported at December 31, 2016, is described in Note 3.
- The assets and deferred outflows of resources of the Library exceeded its liabilities and deferred inflows of resources at the close of the year by \$6,616,486 (net position). Of this amount, \$3,042,692 represents unrestricted net position, which may be used to meet the Library's ongoing obligations to citizens.
- The total net position of the Library decreased \$79,825 or 1.19% from 2016's restated net position.
- General revenues accounted for \$7,482,169 or 95.74% of total governmental activities revenue. Program specific revenues accounted for \$332,682 or 4.26% of total governmental activities revenue.
- The Library had \$7,894,676 in expenses related to governmental activities.
- At year-end, the Library's governmental funds reported combined fund balances of \$5,113,255, an increase of \$842,846 or 19.74% from the prior year.

Using this Comprehensive Annual Financial Report

This annual report consists of a series of financial statements and notes to these statements. These statements are organized so the reader can understand the Library as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net position and statement of activities provide information about the activities of the Library as a whole, presenting both an aggregate view of the Library's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Library's most significant funds with all other nonmajor funds presented in total in one column.

Reporting the Library as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the Library to provide programs and activities, the view of the Library as a whole looks at all financial transactions and asks the question, "How did the Library perform financially during 2017?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)*

These two statements report the Library's net position and changes in net position. This change in net position is important because it tells the reader that, for the Library as a whole, the financial position of the Library has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the Library's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required community programs and other factors.

In the Statement of Net Position and the Statement of Activities, the Library reports only governmental activities. Governmental activities are the activities where all of the Library's programs and services are reported. The Library does not have any business-type activities.

Reporting the Library's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the Library's major funds - not the Library as a whole. The Library establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Library are classified as governmental and fiduciary.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Library maintains a multitude of individual governmental funds. The Library has segregated these funds into major funds and nonmajor funds. The Library's major governmental funds are the general fund and the building and repair fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Library. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Library's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. An agency fund is the Library's only fiduciary fund type.

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)*

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Library's net pension liability.

Government-Wide Financial Analysis

The table below provides a summary of the Library's net position for 2017. This is the Library's first year for reporting on the accrual basis of accounting; therefore, a comparison with prior year is not available. A comparative analysis will be presented in future years when prior year information is available.

Net Position

	2017
<u>Assets</u>	
Current assets	\$ 11,222,737
Long-term assets	
Capital assets, net	3,603,180
Net pension asset	8,391
Total assets	14,834,308
 <u>Deferred outflows of resources</u>	 1,988,608
 <u>Liabilities</u>	
Current liabilities	239,177
Long-term liabilities	
Net pension liability	5,142,976
Other amounts	410,719
Total liabilities	5,792,872
 <u>Deferred Inflows of Resources</u>	 4,413,558
 <u>Net position</u>	
Net investment in capital assets	3,572,486
Restricted	1,308
Unrestricted	3,042,692
Total net position	\$ 6,616,486

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2017, the Library's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$6,616,486.

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)*

Capital assets reported on the government-wide statements represent the largest portion of the Library's net position. At year-end, capital assets represented 24.29% of total assets. Capital assets include land, land improvements, buildings, fixtures and equipment, and vehicles. The net investment in capital assets at December 31, 2017, was \$3,572,486 in the governmental activities. These capital assets are used to provide services to citizens and are not available for future spending. Although the Library's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

In accordance with GASB Statement No. 68 (see Note 15 in the notes to the basic financial statements for detail), the Library has reported a net pension asset (\$8,391), deferred outflows of resources (\$1,988,608), net pension liability (\$5,142,976) and deferred inflows of resources (\$68,999) at December 31, 2017.

A portion of the Library's net position, \$1,308, represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance of unrestricted net position is \$3,042,692.

The table below shows the changes in net position for fiscal year 2017. This is the Library's first year for reporting on the accrual basis of accounting; therefore, a comparison with prior year is not available. A comparative analysis will be presented in future years when prior year information is available.

Change in Net Position

	2017
Revenues	
Program revenues:	
Charges for services	\$ 240,915
Operating grants and contributions	91,767
Total program revenues	332,682
General revenues:	
Property taxes	4,096,002
Intergovernmental	3,239,407
Unrestricted grants and entitlements	8,136
Investment earnings	49,413
Miscellaneous	89,211
Total general revenues	7,482,169
Total revenues	7,814,851

- (Continued)

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)*

Change in Net Position - (Continued)

	2017
Program expenses	
Library services:	
Public services and programs	\$ 5,712,504
Collection development and processing	244,102
Support services:	
Facilities operation and maintenance	861,953
Information services	55,125
Business administration	1,014,259
Interest and fiscal charges	6,733
Total expenses	7,894,676
Change in net position	(79,825)
Net position at beginning of year, restated	6,696,311
Net position at end of year	\$ 6,616,486

Governmental Activities

The Library's program revenues are charges for services and sales and operating grants and contributions. The Library received \$240,915 in charges for services and sales from patrons and other entities that were used to support public services and programs and information services. The Library received \$91,767 in operating grants and contributions that are restricted for library programs.

The Library's general revenues are primarily property taxes and grants and entitlements not restricted to specific programs. Property tax revenue (\$4,096,002) and grants and entitlements not restricted to specific programs (\$3,239,407) represent 52.41% and 41.45%, respectively, of total revenues. The Library operates on a 2-mill property tax levy that was passed in November 2011. Grants and entitlements not restricted to specific programs consists of funds received from the State of Ohio through the Public Library Fund (see Note 8 to the notes to the financial statements for detail) and homestead and rollback.

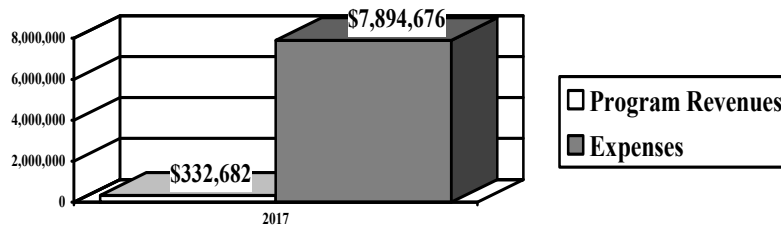
The Library's largest expense, public services and programs (\$5,712,504), represents 72.36% of total expenses. Public services and programs expense supports youth and adult programs, outreach programs, processing and cataloging services, computer services, salaries and benefits of non-administrative staff, and the purchase of books, periodicals, newspapers, DVDs, audiobooks, and e-books. Business administration expense (\$1,014,259) represents 12.85% of total expenses and supports administrative salaries and benefits. Facilities operations and maintenance expense (\$861,953) represents 10.92% of total expenses and includes property maintenance expenses, insurance expenses, rents and leases, and utilities. Collection development and processing expenses are related to professional services such as adult, youth and local history lectures and speakers, library programming, staff development, auditing and accounting services, and marketing. Information services expenses include communication expenses such as telephone services, fax services, postage, and printing.

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)*

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by property tax revenue, unrestricted intergovernmental revenue, unrestricted and gifts and donations, investment earnings and miscellaneous revenue. As can be seen in the graph below, the Library is highly dependent upon property taxes and other general revenues.

Governmental Activities - Program Revenues vs. Total Expenses



**Governmental Activities
2017**

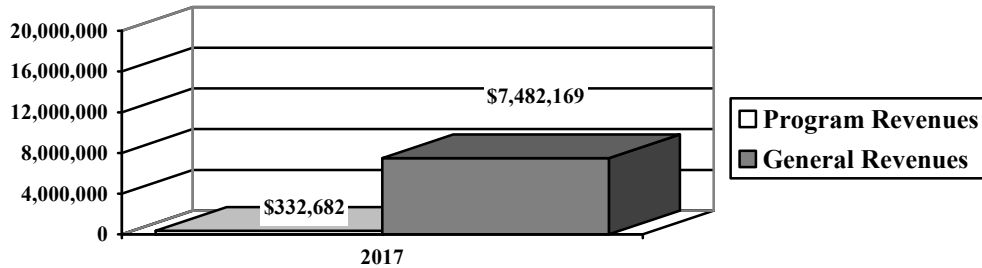
	Total Cost of Services	Net Cost of Services
Program expenses:		
Library services:		
Public services and programs	\$ 5,712,504	\$ 5,383,445
Collection development and processing	244,102	241,368
Support services:		
Facilities operation and maintenance	861,953	861,953
Information services	55,125	54,236
Business administration	1,014,259	1,014,259
Interest and fiscal charges	6,733	6,733
Total	\$ 7,894,676	\$ 7,561,994

The dependence upon general revenues for governmental activities is apparent, with 95.79% of expenses supported through property taxes and other general revenues for 2017.

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)*

Governmental Activities - General and Program Revenues



Financial Analysis of the Government's Funds

As noted earlier, the Library uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Library's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Library's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Library's net resources available for spending at year-end.

The Library's governmental funds reported a combined fund balance of \$5,113,255 which is \$842,846 greater than last year's total, as restated (see Note 3 in the notes to the basic financial statements) of \$4,270,409. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2017 and December 31, 2016 for all major and nonmajor governmental funds.

	Fund Balances 12/31/17	(Restated) Fund Balances 12/31/16	Change
Major funds:			
General	\$ 2,650,604	\$ 2,151,415	\$ 499,189
Building and repair	2,461,343	2,111,343	350,000
Other nonmajor governmental funds	1,308	7,651	(6,343)
Total	\$ 5,113,255	\$ 4,270,409	\$ 842,846

General Fund

The Library's general fund balance increased \$499,189 or 23.20%. \$1,870,502 of the general fund balance was unassigned. This is the Library's first year for reporting on the accrual basis of accounting; therefore, a comparison with the general fund's prior year revenue and expenditures is not available.

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)*

Building and Repair Fund

The Library's building and repair fund received transfers in of \$350,000 from the general fund during 2017. The fund balance, assigned for capital projects, increased to \$2,461,343 at December 31, 2017.

Budgeting Highlights

The Library's budget is prepared according to the laws of the State of Ohio and is based on accounting for transactions on a cash basis for receipts, expenditures, and encumbrances. The most significant budgeted fund is the general fund.

Budgetary information is presented for the general fund. The actual revenues of \$7,922,875 were higher than the final budgeted revenues of \$7,914,296. Actual expenditures and other financing uses of \$7,857,776 were lower than the final appropriations of \$8,129,750. The variances between the actual and final budgeted amounts was due to conservative budgeting. Budgeted revenues decreased \$234,442 from original to final, and the appropriations did not change in total from original to final.

Capital Assets and Debt Administration

Capital Assets

At December 31, 2017, the Library had \$3,603,180 (net of accumulated depreciation) invested in land, land improvements, buildings, fixtures and equipment, and vehicles.

The following table shows 2017 balances compared to 2016:

**Capital Assets at December 31
(Net of Depreciation)**

	Governmental Activities	
	2017	2016
Land	\$ 70,603	\$ 70,603
Land improvements	5,168	10,998
Buildings	2,819,235	2,982,532
Fixtures and equipment	685,940	655,000
Vehicles	22,234	27,318
Totals	\$ 3,603,180	\$ 3,746,451

The Library had additions of \$171,231 and depreciation expense of \$314,502 during 2017, resulting in a decrease in net capital assets of \$143,271. See Note 10 in the notes to the basic financial statements for detail on capital assets.

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
(UNAUDITED)*

Debt Administration

The Library had capital lease obligations in the amount of \$92,875 and \$144,144 at December 31, 2017 and 2016, respectively. At December 31, 2017, \$49,228 of the capital lease obligation was due in one year.

See Note 12 to the basic financial statements for detail on long-term obligations.

Contacting the Library's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the Library's finances and to show the Library's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Dan Griscom, Fiscal Officer, Westerville School District Library, 126 S. State Street, Westerville, Ohio 43081.

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**BASIC
FINANCIAL STATEMENTS**

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*STATEMENT OF NET POSITION
DECEMBER 31, 2017*

	<u>Governmental Activities</u>
Assets:	
Equity in pooled cash and investments.	\$ 4,801,311
Receivables:	
Property taxes	4,427,515
Accounts.	1,266
Accrued interest	11,966
Intergovernmental	1,661,232
Materials and supplies inventory.	777
Prepayments	318,670
Net pension asset.	8,391
Capital assets:	
Nondepreciable capital assets	70,603
Depreciable capital assets, net.	3,532,577
Total capital assets, net.	<u>3,603,180</u>
Total assets	<u>14,834,308</u>
Deferred outflows of resources:	
Pension - OPERS	<u>1,988,608</u>
Liabilities:	
Accounts payable.	150,525
Accrued wages and benefits payable	58,765
Intergovernmental payable	29,887
Long-term liabilities:	
Due within one year	216,774
Due greater than one year:	
Net pension liability.	5,142,976
Other amounts due in more than one year.	193,945
Total liabilities	<u>5,792,872</u>
Deferred inflows of resources:	
Property taxes levied for the next fiscal year.	4,344,559
Pension - OPERS.	<u>68,999</u>
Total deferred inflows of resources	<u>4,413,558</u>
Net position:	
Net investment in capital assets.	3,572,486
Restricted for:	
Public services and programs	1,308
Unrestricted.	<u>3,042,692</u>
Total net position	<u><u>\$ 6,616,486</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017*

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Library services:				
Public services and programs	\$ 5,712,504	\$ 240,026	\$ 89,033	\$ (5,383,445)
Collection development and processing	244,102	-	2,734	(241,368)
Support services:				
Facilities operation and maintenance.	861,953	-	-	(861,953)
Information services	55,125	889	-	(54,236)
Business administration.	1,014,259	-	-	(1,014,259)
Interest and fiscal charges.	6,733	-	-	(6,733)
Total governmental activities.	\$ 7,894,676	\$ 240,915	\$ 91,767	(7,561,994)
		General revenues:		
				4,096,002
				3,239,407
				8,136
				49,413
				89,211
				7,482,169
				(79,825)
				Net position at beginning of year (restated)
				6,696,311
				Net position at end of year \$ 6,616,486

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017*

	General Fund	Building and Repair Fund	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and investments.	\$ 2,338,660	\$ 2,461,343	\$ 1,308	\$ 4,801,311
Receivables:				
Property taxes	4,427,515	-	-	4,427,515
Accounts	1,266	-	-	1,266
Accrued interest	11,966	-	-	11,966
Intergovernmental	1,661,232	-	-	1,661,232
Materials and supplies inventory.	777	-	-	777
Prepayments	318,670	-	-	318,670
Total assets	<u>\$ 8,760,086</u>	<u>\$ 2,461,343</u>	<u>\$ 1,308</u>	<u>\$ 11,222,737</u>
Liabilities:				
Accounts payable.	\$ 150,525	\$ -	\$ -	\$ 150,525
Accrued wages and benefits payable	58,765	-	-	58,765
Compensated absences payable	1,365	-	-	1,365
Intergovernmental payable	29,887	-	-	29,887
Total liabilities	<u>240,542</u>	<u>-</u>	<u>-</u>	<u>240,542</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	4,344,559	-	-	4,344,559
Delinquent property tax revenue not available	82,956	-	-	82,956
Accrued interest not available	9,963	-	-	9,963
Miscellaneous revenue not available	842	-	-	842
Intergovernmental revenue not available	1,430,620	-	-	1,430,620
Total deferred inflows of resources	<u>5,868,940</u>	<u>-</u>	<u>-</u>	<u>5,868,940</u>
Fund balances:				
Nonspendable:				
Materials and supplies inventory	777	-	-	777
Prepayments	318,670	-	-	318,670
Restricted for:				
Public services and programs.	-	-	1,308	1,308
Assigned:				
Capital projects	-	2,461,343	-	2,461,343
Public services and programs	72,732	-	-	72,732
Collection and processing.	50,699	-	-	50,699
Facilities operation and maintenance	71,120	-	-	71,120
Information services.	3,374	-	-	3,374
Business administration	10,371	-	-	10,371
Capital outlay	252,359	-	-	252,359
Unassigned	1,870,502	-	-	1,870,502
Total fund balances	<u>2,650,604</u>	<u>2,461,343</u>	<u>1,308</u>	<u>5,113,255</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,760,086</u>	<u>\$ 2,461,343</u>	<u>\$ 1,308</u>	<u>\$ 11,222,737</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2017*

Total governmental fund balances		\$	5,113,255
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			3,603,180
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	82,956	
Accounts receivable		842	
Intergovernmental receivable		1,430,620	
Accrued interest receivable		9,963	
Total		1,524,381	1,524,381
The net pension asset and net pension liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.			
Net pension asset		8,391	
Deferred outflows of resources		1,988,608	
Deferred inflows of resources		(68,999)	
Net pension liability		(5,142,976)	
Total		(3,214,976)	(3,214,976)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.			
Compensated absences		(316,479)	
Capital lease obligation		(92,875)	
Total		(409,354)	(409,354)
Net position of governmental activities		\$	6,616,486

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017*

	General Fund	Building and Repair Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 4,132,232	\$ -	\$ -	\$ 4,132,232
Intergovernmental	3,328,306	-	9,459	3,337,765
Patron fines and fees	167,003	-	-	167,003
Services provided to other entities	73,912	-	-	73,912
Contributions, gifts and donations	52,296	-	38,148	90,444
Earnings on investments.	41,417	-	-	41,417
Miscellaneous	89,380	-	-	89,380
Total revenues.	<u>7,884,546</u>	<u>-</u>	<u>47,607</u>	<u>7,932,153</u>
Expenditures:				
Current:				
Library services:				
Public services and programs.	4,757,295	-	51,324	4,808,619
Collection development and processing	238,876	-	2,626	241,502
Support services:				
Facilities operation and maintenance	849,503	-	-	849,503
Information services.	46,958	-	-	46,958
Business administration.	847,721	-	-	847,721
Capital outlay.	237,002	-	-	237,002
Debt service:				
Principal retirement	95,542	-	-	95,542
Interest and fiscal charges	6,733	-	-	6,733
Total expenditures	<u>7,079,630</u>	<u>-</u>	<u>53,950</u>	<u>7,133,580</u>
Excess (deficiency) of revenues over (under) expenditures	<u>804,916</u>	<u>-</u>	<u>(6,343)</u>	<u>798,573</u>
Other financing sources (uses):				
Capital lease transaction.	44,273	-	-	44,273
Transfers in	-	350,000	-	350,000
Transfers (out).	(350,000)	-	-	(350,000)
Total other financing sources (uses)	<u>(305,727)</u>	<u>350,000</u>	<u>-</u>	<u>44,273</u>
Net change in fund balances	499,189	350,000	(6,343)	842,846
Fund balances at beginning of year (restated)	<u>2,151,415</u>	<u>2,111,343</u>	<u>7,651</u>	<u>4,270,409</u>
Fund balances at end of year	<u>\$ 2,650,604</u>	<u>\$ 2,461,343</u>	<u>\$ 1,308</u>	<u>\$ 5,113,255</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017*

Net change in fund balances - total governmental funds	\$	842,846
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
 Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlay in the current period.		
Capital asset additions	\$ 171,231	
Current year depreciation	<u>(314,502)</u>	
Total		(143,271)
 Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	(36,230)	
Intergovernmental revenues	(88,899)	
Earnings on investments	7,996	
Other	<u>(169)</u>	
Total		(117,302)
 Proceeds of capital leases are reported as an other financing source in the governmental funds, however, in the statement of activities, they are not reported as revenues as they increase the liabilities on the statement of net position.		
		(44,273)
 Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
		95,542
 Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		395,069
 Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability are reported as pension expense in the statement of activities.		
		(1,092,590)
 Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		<u>(15,846)</u>
Change in net position of governmental activities	\$	<u><u>(79,825)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property taxes.	\$ 4,250,032	\$ 4,132,232	\$ 4,132,232	\$ -
Intergovernmental.	3,431,167	3,336,064	3,336,064	-
Patron fines and fees	171,903	165,270	167,138	1,868
Services provided to other entities	85,537	83,000	83,166	166
Investment earnings.	57,508	55,200	55,914	714
Contributions, gifts and donations	53,787	50,000	52,296	2,296
Other	98,804	92,530	96,065	3,535
Total revenues	<u>8,148,738</u>	<u>7,914,296</u>	<u>7,922,875</u>	<u>8,579</u>
Expenditures:				
Current:				
Library services:				
Public services and programs.	5,108,033	4,985,801	4,876,911	108,890
Collection development and processing	368,438	353,438	315,632	37,806
Support services:				
Facilities operation and maintenance	1,112,602	1,087,102	1,007,567	79,535
Information services.	56,313	53,813	45,901	7,912
Business administration.	952,512	918,244	901,009	17,235
Capital outlay.	531,852	381,352	360,756	20,596
Total expenditures.	<u>8,129,750</u>	<u>7,779,750</u>	<u>7,507,776</u>	<u>271,974</u>
Excess of revenues over expenditures.	<u>18,988</u>	<u>134,546</u>	<u>415,099</u>	<u>280,553</u>
Other financing sources (uses):				
Transfers (out).	-	(350,000)	(350,000)	-
Total other financing sources (uses)	<u>-</u>	<u>(350,000)</u>	<u>(350,000)</u>	<u>-</u>
Net change in fund balances	18,988	(215,454)	65,099	280,553
Fund balances at beginning of year	1,503,006	1,503,006	1,503,006	-
Prior year encumbrances appropriated	254,270	254,270	254,270	-
Fund balance at end of year	<u>\$ 1,776,264</u>	<u>\$ 1,541,822</u>	<u>\$ 1,822,375</u>	<u>\$ 280,553</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2017*

	Agency
Assets:	
Equity in pooled cash and investments.	\$ 2,754
Total assets	\$ 2,754
 Liabilities:	
Funds held and due to others.	\$ 2,754
Total liabilities	\$ 2,754

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017*

NOTE 1 - DESCRIPTION OF THE LIBRARY AND REPORTING ENTITY

The Westerville School District Library (Library), Franklin County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. 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 Library is fiscally independent of the Westerville City School District Board of Education, although the Board of Education serves in a ministerial capacity as the taxing authority for the Library. The determination to request approval of a tax levy and the role and purpose(s) of the levy are discretionary decisions made solely by the Board of Library Trustees. Once those decisions are made, the Board of Education must put the levy on the ballot. There is no potential for the Library to provide a financial benefit or to impose a financial burden on the Board of Education.

Under the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14 “The Financial Reporting Entity”, GASB Statement No. 39, “Determining Whether Certain Organizations are Component Units, an amendment of GASB Statement No. 14”, and GASB Statement No. 61 “Omnibus—an amendment of GASB Statements No. 14 and No. 34”, the Library is considered to be a related organization of the Westerville City School District.

Component units are legally separate organizations for which the Library is financially accountable. The Library is financially accountable for an organization if the Library appoints a voting majority of the organization’s Governing Board and (1) the Library is able to significantly influence the programs or services performed or provided by the organization; or (2) the Library is legally entitled to or can otherwise access the organization’s resources; (3) the Library is legally obligated or has otherwise assumed the responsibility to finance deficits of, or provide financial support to, the organization; (4) or the Library is obligated for the debt of the organization. Component units may also include organizations for which the Library approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Library. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Library, are accessible to the Library and are significant in amount to the Library. Based upon the application of this criteria, management does not believe the Library has any material potential component units that should be included as part of the Library’s reporting entity.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements (BFS) of the Library have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial principles. The Library’s significant accounting policies are described below.

A. Basis of Presentation

The Library’s BFS consist of government-wide statements, including a statement of net position and a statement of activities and fund financial statements which provide a more detailed level of financial information.

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017*

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Government-wide Financial Statements - The Statement of Net Position and the Statement of Activities display information about the Library as a whole. These statements include the financial activities of the primary government, except for the fiduciary fund.

The Statement of Net position presents the financial condition of the governmental activities of the Library at year end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the Library's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Library, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Library.

Fund Financial Statements - During the year, the Library segregates transactions related to certain Library functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Library at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

B. Fund Accounting

The Library uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary. The following two categories are used by the Library:

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Library's major governmental funds:

General Fund - The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Library for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

Other governmental funds of the Library are used to account for specific revenue sources that are restricted or assigned to expenditures for specified purposes.

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017*

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the Library under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Library's own programs. The Library has no trust funds.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Library's agency fund accounts for the employee flexible spending program.

C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All non-fiduciary assets and all liabilities associated with the operation of the Library are included on the Statement of Net Position. The Statement of Activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net position.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the financial statements for governmental funds.

The agency fund does not report on a measurement focus as it does not report operations.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources and deferred outflows of resources, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Nonexchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Library, available means expected to be received within thirty-one days of year-end.

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017*

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Nonexchange transactions, in which the Library receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Library must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Library on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: earnings on investments, grants, entitlements and donations.

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide Statement of Net Position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Library, see Note 15 for deferred outflows of resources related to the Library's net pension liability.

In addition to liabilities, both the government-wide Statement of Net Position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Library, deferred inflows of resources include property taxes, unavailable revenue, and pension. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2017, but which were levied to finance 2018 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds Balance Sheet and represents receivables which will not be collected within the available period. For the Library, unavailable revenue includes, but is not limited to, delinquent property taxes, grants and earnings on investments. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the Library, see Note 15 for deferred inflows of resources related to the Library's net pension liability. This deferred inflow of resources is only reported on the government-wide statement of Net Position.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017*

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

E. Budgetary Process

All funds, except for the agency fund, are legally required to be budgeted and appropriated. The budget documents prepared by the Library are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources established a limit on the amount the Board of Trustees may appropriate. The appropriations resolution is the Board of Trustees' authorization to spend resources and set annual limits on expenditures plus encumbrances at the level of control selected by the Board of Trustees. The legal level of control has been established at the fund and two-digit object code level for all funds. Budgetary modifications at the legal level of control may only be made by resolution of the Board of Trustees.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amount set forth in the budgetary statements and schedules as final budgeted amounts represent amounts from the amended certificate in force at the time final appropriations were passed by the Board of Trustees.

F. Cash and Investments

To improve cash management, cash received by the Library is pooled. Individual fund integrity is maintained through the Library's records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the financial statements.

During 2017, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio), U.S. government money markets, and negotiable certificates of deposit. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices.

During 2017, the Library invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The Library measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Library has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during 2017 amounted to \$41,417 of which \$20,847 was assigned from other Library funds.

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017*

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

For purposes of presentation on the statement of Net Position, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the Library, are considered to be cash equivalents. Investments with maturities greater than three months at the time of purchase are reported as investments. An analysis of the Library's investment account at year end is provided in Note 4.

G. Inventory

Inventories of all funds are stated at cost which is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as expenditures in the governmental fund types. Inventory consists of supplies.

On the fund financial statements, reported inventory is equally offset by a nonspendable fund balance in the governmental funds.

H. Prepaid Items

Payments made to vendors for services that will benefit beyond December 31, 2017, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditures/expense in the year in which the services are consumed.

On the fund financial statements, reported prepayments are equally offset by a nonspendable fund balance in the governmental funds.

I. Capital Assets

The Library's only capital assets are general capital assets. General capital assets are those assets specifically related to governmental activities. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The Library maintains a capitalization threshold of \$5,000. The Library does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset life are not capitalized. Interest incurred during the construction of capital assets is also capitalized. Library books are reflected as expenses when purchased and are not capitalized as assets of the Library.

All reported capital assets except land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	20 years
Buildings	40 years
Fixtures and equipment	5 - 20 years
Vehicles	8 years

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017*

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

J. Compensated Absences

Compensated absences of the Library consist of vacation leave and sick leave to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the Library and the employee.

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) benefits. A liability for sick leave is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at December 31, 2017, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, all employees with at least ten years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at December 31, 2017 and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

The entire compensated absence liability is reported on the government-wide financial statements.

Compensated absences are only reported in the governmental fund financial statements if they have matured. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid, which is primarily the general fund. The noncurrent portion of the liability is not reported.

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, net pension liability and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Capital leases are recognized as a liability on the governmental fund financial statements when due.

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017*

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

L. Fund Balance

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

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

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Trustees (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the Board of Trustees removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance may be redeployed for other purposes with appropriate due process. Constraints are imposed on the use of underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the Library for specific purposes, but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by the Board of Trustees. In the general fund, assigned amounts represent intended uses established by the Board of Trustees, or a Library official delegated by State statute. State statute authorizes the Fiscal Officer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Library applies restricted resources first when expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, and unassigned) fund balance are available. The Library considers committed, assigned and unassigned fund balances, respectively, to be spent when expenditures are incurred for the purposes for which any of the unrestricted fund balance classifications could be used.

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017*

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

M. Net Position

Net position represents the difference between assets plus deferred outflows of resources less liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on the use of resources either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Library applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

N. Interfund Activity

Transfers between governmental activities are eliminated on the government-wide financial statements. Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the BFS.

O. Estimates

The preparation of the BFS in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the BFS and accompanying notes. Actual results may differ from those estimates.

P. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

Q. Fair Value Measurements

The Library categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017*

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For the year ended December 31, 2017, the Library has presented for the first time its basic financial statements in accordance with GAAP. In conjunction with this presentation, the Library has converted its governmental funds to the modified accrual basis of accounting and its governmental activities to the accrual basis of accounting.

Modified Accrual and Accrual Basis Adjustments - the conversion of the activities from the cash-basis of accounting to the modified accrual and accrual basis of accounting required certain adjustments to be recorded at December 31, 2016 to the net cash position as previously reported to reflect the prior year's effect of adopting these accounting principles.

The restatement to the December 31, 2016 net cash position for the Library follows:

	<u>General Fund</u>	<u>Building and Repair Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Net cash position, December 31, 2016	\$ 1,757,276	\$ 2,111,343	\$ 7,651	\$ 3,876,270
Modified accrual basis adjustments:				
Fair value adjustment on investments	4,010	-	-	4,010
Real and other taxes receivable	4,426,991	-	-	4,426,991
Accounts receivable	6,658	-	-	6,658
Accrued interest receivable	7,825	-	-	7,825
Intergovernmental receivable	1,768,740	-	-	1,768,740
Materials and supplies inventory	500	-	-	500
Prepayments	343,830	-	-	343,830
Accounts payable	(93,129)	-	-	(93,129)
Accrued wages and benefits payable	(60,567)	-	-	(60,567)
Compensated absences payable	(40,408)	-	-	(40,408)
Intergovernmental payable	(20,823)	-	-	(20,823)
Deferred inflows of resources	<u>(5,949,488)</u>	<u>-</u>	<u>-</u>	<u>(5,949,488)</u>
Net modified accrual basis adjustments	<u>394,139</u>	<u>-</u>	<u>-</u>	<u>394,139</u>
Restated fund balance, December 31, 2016	<u>\$ 2,151,415</u>	<u>\$ 2,111,343</u>	<u>\$ 7,651</u>	<u>\$ 4,270,409</u>

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017*

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

	Governmental Activities
Restated fund balance, December 31, 2016	\$ 4,270,409
Accrual basis adjustments:	
Capital assets, net of depreciation	3,746,451
Net pension asset	8,502
Deferred outflows of resources - pension	1,546,356
Long-term compensated absences	(300,633)
Capital lease obligations	(144,144)
Net pension liability	(3,991,338)
Deferred inflows of resources - other than pension	1,641,683
Deferred inflows of resources - pension	(80,975)
Net accrual basis adjustments	2,425,902
Net position, December 31, 2016	\$ 6,696,311

NOTE 4 - DEPOSITS AND INVESTMENTS

The Library's investment policy was developed and implemented in accordance with Ohio Revised Code Section 135. State statutes classify monies held by the Library into three categories:

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the Library Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Governing Board has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits in interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts. Interim monies may be deposited or invested in those instruments identified in Section 135.18(B) of the Ohio Revised Code. Specifically, authorized investments shall consist of the following:

1. Bonds, notes or other obligations of the United States;
2. Bonds, notes or other obligations issued by any federal government agency;
3. Certificates of deposit in any bank or savings and loan association having an office located within Franklin County and eligible to become a public depository in accordance with Section 135.04 of the Ohio Revised Code;

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*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017*

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

4. Written repurchase agreements of any eligible bank or savings and loan association under the terms of which agreement the Library purchases and seller agrees unconditionally to repurchase any of the securities. This agreement shall contain the requirement that for each transaction the participating institution shall provide all of the following information: (a) the face amount of the securities; (b) the rate and maturity date of the securities; (c) a numerical identifier generally accepted in the securities industry that designates the securities;
5. Bonds and other obligations of this state, its political subdivisions, or other units or agencies of this state or its political subdivisions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Demand deposit accounts (checking, savings, and negotiable orders of withdrawal, zero balance, and concentration accounts) established with local financial institutions approved as depositories for active, interim and inactive funds.

Protection of the Library's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the finance director by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution. The issuer of the surety bond shall be rated at least "AA" by any of the nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

A. Cash on Hand

At fiscal year end, the Library had \$2,030 in undeposited cash on hand which is included on the financial statements of the Library as part of "equity in pooled cash and investments".

B. Deposits with Financial Institutions

At December 31, 2017, the carrying amount of all Library deposits was \$293,679. As of December 31, 2017, the Library's bank balance was \$434,056, which was either covered by FDIC or collateralized by the financial institutions' collateral pool described above.

The Library has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by eligible securities pledged to the Library and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured. The Library's financial institution is in the process of joining Ohio Pooled Collateral System (OPCS); however, at December 31, 2017, the financial institution still maintained its own collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least 105 percent of the deposits being secured.

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017*

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

C. Investments

As of December 31, 2017, the Library had the following investments and maturities:

<u>Investment type</u>	<u>Investment Maturities</u>				
	<u>Measurement Amount</u>	<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>
Fair value:					
Negotiable CDs	\$ 3,718,368	\$ 747,723	\$ 1,240,130	\$ 494,445	\$ 1,236,070
U.S. Government money market	1,096	1,096	-	-	-
Amortized cost:					
STAR Ohio	<u>788,892</u>	<u>788,892</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 4,508,356</u>	<u>\$ 1,537,711</u>	<u>\$ 1,240,130</u>	<u>\$ 494,445</u>	<u>\$ 1,236,070</u>

The Library's investments in U.S. Government money markets are valued using quoted market prices in active markets (Level 1 inputs). The Library's investments in negotiable CDs are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

Interest Rate Risk: The Library's investment policy limits investment purchases to those that mature within five years of the date of purchase. The term of any repurchase agreement shall not exceed thirty days. Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Library's investment policy addresses interest rate risk by requiring the consideration of cash flow projections in determining the appropriate maturities.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Library has no investment policy dealing with investment custodial risk beyond the requirement in Ohio law that prohibits payments for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee. The Library has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Fiscal Officer or qualified trustee.

Credit Risk: Standard & Poor's has assigned STAR Ohio an AAAM money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The U.S. government money market and negotiable CDs were not rated. The negotiable CDs are covered by FDIC. The Library's investment policy does not specifically address credit risk beyond requiring the Library to only invest in certain securities authorized by State Statute.

Concentration of Credit Risk: The Library's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific issue or specific class of securities.

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017*

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

The following table includes the percentage of each investment type held by the Library at December 31, 2017:

<u>Measurement/ Investment type</u>	<u>Measurement Amount</u>	<u>% of Total</u>
Fair value:		
Negotiable CDs	\$ 3,718,368	82.48
U.S. Government money market	1,096	0.02
Amortized cost:		
STAR Ohio	<u>788,892</u>	<u>17.50</u>
Total	<u>\$ 4,508,356</u>	<u>100.00</u>

D. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2017:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 293,679
Investments	4,508,356
Cash on hand	<u>2,030</u>
Total	<u>\$ 4,804,065</u>

<u>Equity in pooled cash and investments per statement of net position</u>	
Governmental activities	\$ 4,801,311
Agency fund	<u>2,754</u>
Total	<u>\$ 4,804,065</u>

NOTE 5 - INTERFUND TRANSACTIONS

Transfers

The general fund transferred \$350,000 to the building and repair capital projects fund during 2017. Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers between governmental funds are eliminated for reporting in the statement of activities.

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the boundaries of the Westerville City School District. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017*

NOTE 6 - PROPERTY TAXES - (Continued)

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2017 public utility property taxes became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2018 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The Library receives property taxes from Franklin and Delaware Counties. The County Auditors periodically remit to the Library its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, tangible personal property taxes and outstanding delinquencies which are measurable as of December 31, 2017 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by unearned revenue since the current taxes were not levied to finance 2017 operations and the collection of delinquent taxes has been offset by a deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is reported as a deferred inflow of resources.

The full tax rate for all Library operations for the year ended December 31, 2017 was \$2.00 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2017 property tax receipts were based are as follows:

Real Property

Residential/Agricultural	\$ 1,889,754,010
Commercial/Industrial	404,656,050

Public Utility

Real	<u>48,206,100</u>
Total Assessed Value	<u>\$ 2,342,616,160</u>

NOTE 7 - TAX ABATEMENTS

Community Reinvestment Area

The City of Westerville provides tax abatements through Community Reinvestment Areas (CRAs).

Under the authority of Ohio Revised Code (ORC) Section 3735.67, the CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRA's are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing is desired. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity's property tax bill.

**WESTERVILLE SCHOOL DISTRICT LIBRARY
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*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017*

NOTE 7 - TAX ABATEMENTS - (Continued)

The CRA agreements entered into by the City of Westerville affect the property tax receipts collected and distributed to the Library. There were 156 parcels that have taxes abated through CRA agreements that affected the Library. Under these agreements, the Library's property taxes were reduced by \$98,332 in 2017.

NOTE 8 - GRANTS-IN-AID

A major source of revenue for Ohio public libraries is the Public Library Fund (PLF). The source of money for this fund comes from a percentage of the State taxes collected in Ohio including the State income tax and sales tax. During 2017, the PLF distribution was based on 1.70 percent of the State's General Revenue Fund tax revenue for the first and second half of the year. The Franklin and Delaware County Budget Commissions allocate these funds to the Library based on a formula that was negotiated and agreed to by public libraries located in the counties. The County Budget Commissions cannot reduce their allocation of these funds to the Library based on any additional revenues the Library receives.

NOTE 9 - RECEIVABLES

Receivables at December 31, 2017, consisted primarily of property taxes, accounts (patron fines and fees and services provided to other entities), accrued interest, and intergovernmental receivables arising from grants, entitlements and shared revenues. All receivables are deemed collectible in full. All receivables are expected to be collected within the subsequent year.

A summary of the principal items of receivables reported on the statement of net position follows:

Governmental activities:

Property taxes	\$ 4,427,515
Accounts	1,266
Accrued interest	11,966
Intergovernmental:	
Public library fund	1,390,077
Homestead and rollback	270,924
Bureau of workers compensation refund	231
Total intergovernmental receivables	<u>\$ 1,661,232</u>

**WESTERVILLE SCHOOL DISTRICT LIBRARY
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*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017*

NOTE 10 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017, was as follows:

<u>Governmental activities:</u>	<u>Balance</u> <u>12/31/16</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/17</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 70,603	\$ -	\$ -	\$ 70,603
Total capital assets, not being depreciated	<u>70,603</u>	<u>-</u>	<u>-</u>	<u>70,603</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	275,228	-	-	275,228
Buildings	7,533,940	-	-	7,533,940
Fixtures and equipment	1,512,063	171,231	-	1,683,294
Vehicles	45,191	-	-	45,191
Total capital assets, being depreciated	<u>9,366,422</u>	<u>171,231</u>	<u>-</u>	<u>9,537,653</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(264,230)	(5,830)	-	(270,060)
Buildings	(4,551,408)	(163,297)	-	(4,714,705)
Fixtures and equipment	(857,063)	(140,291)	-	(997,354)
Vehicles	(17,873)	(5,084)	-	(22,957)
Total accumulated depreciation	<u>(5,690,574)</u>	<u>(314,502)</u>	<u>-</u>	<u>(6,005,076)</u>
Total capital assets, being depreciated, net	<u>3,675,848</u>	<u>(143,271)</u>	<u>-</u>	<u>3,532,577</u>
Governmental activities capital assets, net	<u>\$ 3,746,451</u>	<u>\$ (143,271)</u>	<u>\$ -</u>	<u>\$ 3,603,180</u>

Depreciation expense was charged to governmental activities as follows:

<i>Library services:</i>	
Public services and programs	\$ 300,791
Collection development and processing	269
<i>Support services:</i>	
Facilities operation and maintenance	4,161
Information services	7,709
Business administration	<u>1,572</u>
Total depreciation expense	<u>\$ 314,502</u>

NOTE 11 - CAPITALIZED LEASES - LESSEE DISCLOSURE

During the current year and in prior fiscal years, the Library entered into capitalized leases for copier equipment. The lease agreements meet the criteria of a capital lease as defined by GASB, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments are reflected as debt service expenditures in the financial statements for the governmental funds and as functional expenditures in the budgetary statements.

**WESTERVILLE SCHOOL DISTRICT LIBRARY
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*NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 11 - CAPITALIZED LEASES - LESSEE DISCLOSURE - (Continued)

At December 31, 2017, capital assets acquired by the capital lease obligations outstanding at year-end have been capitalized in the amount of \$50,502, which represents the present value of the future minimum lease payments at the time of acquisition. Accumulated depreciation as of December 31, 2017 was \$15,843, leaving a current book value of \$34,659. The liability of the capital lease obligations that were capitalized at December 31, 2017 was \$30,694. The Library had a balance of \$62,181 in capital lease obligations for computer equipment that was not capitalized, as the equipment was below the capitalization threshold.

A corresponding liability is recorded in the Statement of Net Position. Principal and interest payments in fiscal year 2017 totaled \$95,542 and \$6,733, respectively, in the general fund.

The following is a schedule of the future long-term minimum lease payments required under the capital lease obligations and the present value of the minimum lease payments as of December 31, 2017:

<u>Fiscal Year Ending June 30,</u>	<u>Copiers</u>
2018	\$ 52,525
2019	29,415
2020	14,591
2021	<u>1,772</u>
Total minimum lease payments	98,303
Less: amount representing interest	<u>(5,428)</u>
Total	<u>\$ 92,875</u>

NOTE 12 - LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2017 was as follows:

	Balance			Balance	Amounts
Governmental activities:	<u>12/31/2016</u>	<u>Increase</u>	<u>Decrease</u>	<u>12/31/2017</u>	<u>Due in</u> <u>One Year</u>
Compensated absences	\$ 341,041	\$ 171,059	\$ (194,256)	\$ 317,844	\$ 167,546
Net pension liability	3,991,338	1,151,638	-	5,142,976	-
Capital lease obligation	<u>144,144</u>	<u>44,273</u>	<u>(95,542)</u>	<u>92,875</u>	<u>49,228</u>
Total governmental activities	<u>\$ 4,476,523</u>	<u>\$ 1,366,970</u>	<u>\$ (289,798)</u>	<u>\$ 5,553,695</u>	<u>\$ 216,774</u>

Compensated Absences

Compensated absences will be paid from the funds from which the employees' salaries are paid, which is the general fund.

Net Pension Liability:

The net pension liability will be paid from the general fund. See Note 15 for details.

Capital Lease Obligations

See Note 11 for detail on the Library's capital lease obligations.

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017*

NOTE 13 - RISK MANAGEMENT

A. Property and Liability Insurance

The Library has obtained commercial insurance from the Ohio Plan for the following risks:

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

Settled claims have not exceeded commercial insurance coverage in any of the past three years and there was no significant change in insurance coverage from the prior year.

B. Workers' Compensation

The Library belongs to the Ohio Library Council Group Retrospective Rating Program (Group Retro) for Workers' Compensation. Group Retro offers the potential for premium refunds paid over a three-year period at 12, 24, and 36 months following the end of the group retro policy year. These premium refunds are based on the total group's cost control performance.

Workers' compensation coverage is provided by the State of Ohio. The Library pays the State Workers' Compensation System, a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs (if material).

C. Employee Health Insurance

The Library provides employees with health, dental, vision and life insurance. The Library pays 100% of the monthly premiums for the benefits for full-time employees, and 50% of the monthly benefits for part-time employees. If employees choose to enroll spouses and/or other family members, the employee pays the additional premiums.

NOTE 14 - OTHER EMPLOYEE BENEFITS

A. Accumulated Unpaid Vacation

Library full-time and part-time employees earn vacation leave at varying rates based upon position, hire date, length of service and hours worked per week. Vacation leave is credited on a monthly basis (pay period) and no vacation credit will be given for partial months worked. Vacation leave may be accumulated to a maximum of credits that can be earned in two consecutive years of employment. Employees whose employment that is terminated for any reason other than cause or resignation without proper notice will receive payout of accrued but unused vacation.

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NOTE 14 - OTHER EMPLOYEE BENEFITS - (Continued)

B. Accumulated Unpaid Sick Leave

Library full-time and part-time employees earn sick leave credits on a monthly-basis as follows:

	<u>Hours per Week</u>	<u>Sick Leave Hours Accrued per Month</u>	<u>Maximum Accumulated Sick Leave Hours</u>
Full-time employees	n/a	10	960
Part-time employees	12	3	288
Part-time employees	16	4	384
Part-time employees	20	5	480

Employees whose employment that is terminated for any reason other than cause or resignation without proper notice will be paid 25% of his/her accumulated sick leave at the time of termination after ten years of continuous employment. Payment shall be made at the employee's rate of pay at the time of termination.

NOTE 15 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability/Asset

The net pension liability/asset reported on the statement of net position represents a liability or asset to employees for pensions. Pensions are a component of exchange transactions - between an employer and its employees - of salaries and benefits for employee services. Pensions are provided to an employee - on a deferred-payment basis - as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability/asset represents the Library's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability/asset calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

The Ohio Revised Code limits the Library's obligation for this liability to annually required payments. The Library cannot control benefit terms or the manner in which pensions are financed; however, the Library does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes any net pension liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

**WESTERVILLE SCHOOL DISTRICT LIBRARY
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*NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

The proportionate share of each plan's unfunded benefits or overfunded benefits is presented as a long-term *net pension liability* or *net pension asset*, respectively, on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included as an intergovernmental payable on both the accrual and modified accrual bases of accounting.

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - Library employees, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Library employees) may elect the Member-Directed Plan and the Combined Plan, substantially all employee members are in OPERS' Traditional Pension Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Pension Plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the Traditional Pension Plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017*

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 2.25%.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member's FAS for the first 30 years of service.

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 2.25% COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2017 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2017 Actual Contribution Rates	
Employer:	
Pension	13.0 %
Post-employment Health Care Benefits	1.0 %
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017*

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

The Library's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$395,069 for 2017. Of this amount, \$8,226 is reported as an intergovernmental payable.

Pension Liabilities/Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability and net pension asset for the OPERS Traditional Pension Plan, Combined Plan and Member-Directed Plan, respectively, were measured as of December 31, 2016, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. The Library's proportion of the net pension liability or asset was based on the Library's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS - Traditional</u>	<u>OPERS - Combined</u>	<u>OPERS - Member- Directed</u>	<u>Total</u>
Proportion of the net pension liability/asset prior measurement date	0.023043%	0.017360%	0.014023%	
Proportion of the net pension liability/asset current measurement date	<u>0.022648%</u>	<u>0.014948%</u>	<u>0.017071%</u>	
Change in proportionate share	<u>-0.000395%</u>	<u>-0.002412%</u>	<u>0.003048%</u>	
Proportionate share of the net pension liability	\$ 5,142,976	\$ -	\$ -	\$ 5,142,976
Proportionate share of the net pension asset	-	(8,320)	(71)	(8,391)
Pension expense	1,086,491	6,011	88	1,092,590

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**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017*

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

At December 31, 2017, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	Total
Deferred outflows of resources				
Differences between expected and actual experience	\$ 6,971	\$ -	\$ 724	\$ 7,695
Net difference between projected and actual earnings on pension plan investments	765,907	2,030	62	767,999
Changes of assumptions	815,737	2,028	80	817,845
Library contributions subsequent to the measurement date	376,999	6,020	12,050	395,069
Total deferred outflows of resources	<u>\$ 1,965,614</u>	<u>\$ 10,078</u>	<u>\$ 12,916</u>	<u>\$ 1,988,608</u>
Deferred inflows of resources				
Differences between expected and actual experience	\$ 30,609	\$ 4,254	\$ -	\$ 34,863
Changes in employer's proportionate percentage/ difference between employer contributions	34,136	-	-	34,136
Total deferred outflows of resources	<u>\$ 64,745</u>	<u>\$ 4,254</u>	<u>\$ -</u>	<u>\$ 68,999</u>

\$395,069 reported as deferred outflows of resources related to pension resulting from Library contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2018.

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017*

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	Total
2018	\$ 626,283	\$ 393	\$ 126	\$ 626,802
2019	649,178	392	126	649,696
2020	270,859	305	122	271,286
2021	(22,449)	(412)	99	(22,762)
2022	-	(338)	103	(235)
Thereafter	-	(536)	289	(247)
Total	\$ 1,523,871	\$ (196)	\$ 865	\$ 1,524,540

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2016, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. In 2016, the Board's actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, for the defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Wage inflation	3.25%
Future salary increases, including inflation	3.25% to 10.75% including wage inflation
COLA or ad hoc COLA	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2018, then 2.15% simple
Investment rate of return	7.50%
Actuarial cost method	Individual entry age

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017*

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

Mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 8.3% for 2016.

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2016 and the long-term expected real rates of return:

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017*

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	23.00 %	2.75 %
Domestic equities	20.70	6.34
Real estate	10.00	4.75
Private equity	10.00	8.97
International equities	18.30	7.95
Other investments	18.00	4.92
Total	<u>100.00 %</u>	<u>5.66 %</u>

Discount Rate - The discount rate used to measure the total pension liability/asset was 7.50%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. A discount rate of 8.00% was used in the previous measurement period. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Library's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the Library's proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.50%, as well as what the Library's proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.50%) or one-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Library's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 7,857,044	\$ 5,142,976	\$ 2,881,279
Combined Plan	598	(8,320)	(15,247)
Member-Directed Plan	171	(71)	(171)

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017*

NOTE 16 - POSTRETIREMENT BENEFIT PLANS

Ohio Public Employees Retirement System

Plan Description - OPERS administers three separate pension plans: The Traditional Pension Plan - a cost-sharing, multiple-employer defined benefit pension plan; the Member Directed Plan - a defined contribution plan; and the Combined Plan - a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. This trust is also used to fund health care for Member Directed Plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, Member-Directed Plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2016 CAFR for details.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the OPERS Board of Trustees (OPERS Board) in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (800) 222-7377.

Funding Policy - The post-employment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code Section 401(h). State statute requires that public employers fund post-employment healthcare through contributions to OPERS. A portion of each employer's contribution to the Traditional or Combined Plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2017, local government employers contributed 14.00% of covered payroll. Each year the OPERS' Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan and Combined Plan for 2017 was 1.00%.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment healthcare plan.

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017*

NOTE 16 - POSTRETIREMENT BENEFIT PLANS - (Continued)

The Library's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2017, 2016, and 2015 were \$34,283, \$61,508, and \$64,883, respectively; 98.08% has been contributed for 2017 and 100% has been contributed for 2016 and 2015. The remaining 2017 post-employment health care benefits liability has been reported as an intergovernmental payable on the basic financial statements.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under State Bill 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.00% of the employer contributions toward the health care fund after the end of the transition period.

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned, committed, or restricted fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and
- (e) Investments are reported at fair value (GAAP basis) rather than cost (budget basis).

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017*

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements (as reported in the fund financial statements) to the budgetary basis statements for the general fund:

	<u>General</u>
Budget basis	\$ 65,099
Net adjustment for revenue accruals	(38,329)
Net adjustment for expenditure accruals	(94,771)
Net adjustment for other sources (uses)	44,273
Adjustment for encumbrances	<u>522,917</u>
GAAP basis	<u>\$ 499,189</u>

NOTE 18 - CONTINGENCIES

A. Grants

The Library receives significant financial assistance from federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the reporting units included herein or on the overall financial position of the Library at December 31, 2017.

B. Litigation

The Library is not a party to legal proceedings.

NOTE 19 - OTHER COMMITMENTS

The Library utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the Library's commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 356,912
Other governmental	<u>374</u>
Total	<u>\$ 357,286</u>

REQUIRED SUPPLEMENTARY INFORMATION

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

*SCHEDULE OF THE LIBRARY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY/NET PENSION ASSET
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

LAST TWO YEARS

	<u>2017</u>	<u>2016</u>
<i>Traditional Plan:</i>		
Library's proportion of the net pension liability	0.022648%	0.023043%
Library's proportionate share of the net pension liability	\$ 5,142,976	\$ 3,991,338
Library's covered payroll	\$ 2,928,600	\$ 3,123,043
Library's proportionate share of the net pension liability as a percentage of its covered payroll	175.61%	127.80%
Plan fiduciary net position as a percentage of the total pension liability	77.25%	81.08%
<i>Combined Plan:</i>		
Library's proportion of the net pension asset	0.014948%	0.017360%
Library's proportionate share of the net pension asset	\$ 8,320	\$ 8,448
Library's covered payroll	\$ 58,175	\$ 63,183
Library's proportionate share of the net pension asset as a percentage of its covered payroll	14.30%	13.37%
Plan fiduciary net position as a percentage of the total pension asset	116.55%	116.90%
<i>Member Directed Plan:</i>		
Library's proportion of the net pension asset	0.017071%	0.014023%
Library's proportionate share of the net pension asset	\$ 71	\$ 54
Library's covered payroll	\$ 88,617	\$ 78,092
Library's proportionate share of the net pension asset as a percentage of its covered payroll	0.08%	0.07%
Plan fiduciary net position as a percentage of the total pension asset	103.40%	103.91%

Note: Information prior to 2016 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the Library's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

*SCHEDULE OF LIBRARY CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

LAST THREE YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<i>Traditional Plan:</i>			
Contractually required contribution	\$ 376,999	\$ 351,432	\$ 374,765
Contributions in relation to the contractually required contribution	<u>(376,999)</u>	<u>(351,432)</u>	<u>(374,765)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Library's covered payroll	\$ 2,899,992	\$ 2,928,600	\$ 3,123,043
Contributions as a percentage of covered payroll	13.00%	12.00%	12.00%
 <i>Combined Plan:</i>			
Contractually required contribution	\$ 6,020	\$ 6,981	\$ 7,582
Contributions in relation to the contractually required contribution	<u>(6,020)</u>	<u>(6,981)</u>	<u>(7,582)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Library's covered payroll	\$ 46,308	\$ 58,175	\$ 63,183
Contributions as a percentage of covered payroll	13.00%	12.00%	12.00%
 <i>Member Directed Plan:</i>			
Contractually required contribution	\$ 12,050	\$ 10,634	\$ 9,371
Contributions in relation to the contractually required contribution	<u>(12,050)</u>	<u>(10,634)</u>	<u>(9,371)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Library's covered payroll	\$ 92,692	\$ 88,617	\$ 78,092
Contributions as a percentage of covered payroll	13.00%	12.00%	12.00%

Note: Information prior to 2015 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2017*

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2015-2017.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2015-2016. For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%.

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*INDIVIDUAL FUND SCHEDULES
FUND DESCRIPTIONS - GOVERNMENTAL FUNDS*

GENERAL FUND

The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Library for any purpose provided it is expended or transferred according to the general laws of Ohio.

SPECIAL REVENUE FUNDS

The special revenue funds are used to account for all specific financial resources (other than major capital projects) that are legally restricted or committed for specified expenditure purposes. The following are the special revenue funds which the Library operates:

Nonmajor Special Revenue Funds

Imagination Library Fund

This fund receives donations from the Westerville Library Foundation to implement an Imagination Library project through the Dollywood Foundation, to provide books to children.

Library Services and Technology Act Grant Fund

This fund accounts for grants provided through the Library Services and Technology Act program, funded through the independent federal agency Institute of Museum and Library Services.

CAPITAL PROJECTS FUND

Capital project funds are used to account for and report financial resources that are restricted or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Following is a description of the Library's capital projects fund:

Major Capital Project Fund

Building and Repair Fund

The monies maintained in this fund are to be used for improving, repairing and expanding the existing Library facility.

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property taxes	\$ 4,250,032	\$ 4,132,232	\$ 4,132,232	\$ -
Intergovernmental	3,431,167	3,336,064	3,336,064	-
Patron fines and fees	171,903	165,270	167,138	1,868
Services provided to other entities	85,537	83,000	83,166	166
Investment earnings	57,508	55,200	55,914	714
Contributions, gifts and donations	53,787	50,000	52,296	2,296
Other	98,804	92,530	96,065	3,535
Total revenues	8,148,738	7,914,296	7,922,875	8,579
Expenditures:				
Salaries and benefits				
Salaries and leave benefits	3,312,530	3,202,530	3,172,215	30,315
Retirement benefits	463,800	436,800	429,606	7,194
Insurance benefits	613,250	616,250	606,095	10,155
Other employee benefits	40,556	27,556	23,787	3,769
Total salaries and benefits	4,430,136	4,283,136	4,231,703	51,433
Supplies				
General administrative supplies	128,989	137,489	121,521	15,968
Property maintenance/repairs, supplies and parts	24,778	28,778	25,935	2,843
Motor vehicle, fuel, supplies and parts	400	400	113	287
Supplies purchased for resale	42,633	42,633	40,429	2,204
Total supplies	196,800	209,300	187,998	21,302
Purchased and contracted services				
Travel and meeting expenses	70,472	65,472	58,477	6,995
Communication, publication and printing	56,313	53,813	45,901	7,912
Property maintenance, repair and security	728,742	701,742	655,875	45,867
Insurance	28,500	28,500	28,063	437
Rents and lease	135,009	136,509	124,753	11,756
Utilities	220,351	220,351	198,876	21,475
Professional services	364,438	349,438	313,935	35,503
Library material control	53,748	57,748	56,525	1,223
Other contracts and professional services	4,000	4,000	1,697	2,303
Total purchased and contracted services	1,661,573	1,617,573	1,484,102	133,471
Library materials and information				
Books	471,021	467,021	451,164	15,857
Periodicals/software/internet services	314,016	314,016	306,091	7,925
Audiovisual materials	407,843	392,843	377,025	15,818
Inter-library loan fees/charges	8,279	10,279	9,197	1,082
Other library materials	16,882	19,382	19,281	101
Total library materials and information	1,218,041	1,203,541	1,162,758	40,783

---Continued

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND - (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Capital outlay				
Building improvements	\$ 210,979	\$ 93,979	\$ 80,529	\$ 13,450
Furniture and equipment.	320,873	287,373	280,227	7,146
Total capital outlay.	<u>531,852</u>	<u>381,352</u>	<u>360,756</u>	<u>20,596</u>
Other expenses				
Dues and memberships	17,126	13,626	12,201	1,425
Taxes and assessments	5,972	5,972	5,569	403
County auditor and treasurer fees.	65,000	62,000	60,977	1,023
Refunds and reimbursements	3,250	3,250	1,712	1,538
Total other expenses.	<u>91,348</u>	<u>84,848</u>	<u>80,459</u>	<u>4,389</u>
Total expenditures	<u>8,129,750</u>	<u>7,779,750</u>	<u>7,507,776</u>	<u>271,974</u>
Excess of revenues over expenditures	<u>18,988</u>	<u>134,546</u>	<u>415,099</u>	<u>280,553</u>
Other financing (uses):				
Transfers (out).	-	(350,000)	(350,000)	-
Total other financing (uses)	<u>-</u>	<u>(350,000)</u>	<u>(350,000)</u>	<u>-</u>
Net change in fund balance	18,988	(215,454)	65,099	280,553
Fund balance at beginning of year	1,503,006	1,503,006	1,503,006	-
Prior year encumbrances appropriated.	<u>254,270</u>	<u>254,270</u>	<u>254,270</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,776,264</u>	<u>\$ 1,541,822</u>	<u>\$ 1,822,375</u>	<u>\$ 280,553</u>

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2017*

	<u>Imagination Library Fund</u>	<u>Library Services and Technology Act Grant Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
Assets:			
Equity in pooled cash and investments.	\$ 934	\$ 374	\$ 1,308
Total assets	<u>\$ 934</u>	<u>\$ 374</u>	<u>\$ 1,308</u>
Fund balances:			
Restricted for:			
Public services and programs.	934	374	1,308
Total fund balances.	<u>\$ 934</u>	<u>\$ 374</u>	<u>\$ 1,308</u>

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017*

	Imagination Library Fund	Library Services and Technology Act Grant Fund	Nonmajor Special Revenue Funds
Revenues:			
Intergovernmental	\$ -	\$ 9,459	\$ 9,459
Contributions, gifts and donations	38,148	-	38,148
Total revenues.	<u>38,148</u>	<u>9,459</u>	<u>47,607</u>
Expenditures:			
Current:			
Library services:			
Public services and programs	44,865	6,459	51,324
Collection development and processing	-	2,626	2,626
Total expenditures.	<u>44,865</u>	<u>9,085</u>	<u>53,950</u>
Net change in fund balances	(6,717)	374	(6,343)
Fund balances at beginning of year (restated).	<u>7,651</u>	<u>-</u>	<u>7,651</u>
Fund balances at end of year	<u>\$ 934</u>	<u>\$ 374</u>	<u>\$ 1,308</u>

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
IMAGINATION LIBRARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Contributions, gifts and donations	\$ 25,000	\$ 38,148	\$ 38,148	\$ -
Total revenues	<u>25,000</u>	<u>38,148</u>	<u>38,148</u>	<u>-</u>
Expenditures:				
Library materials and information				
Books	30,300	45,799	44,865	934
Total expenditures	<u>30,300</u>	<u>45,799</u>	<u>44,865</u>	<u>934</u>
Net change in fund balance	(5,300)	(7,651)	(6,717)	934
Fund balance at beginning of year	7,351	7,351	7,351	-
Prior year encumbrances appropriated.	<u>300</u>	<u>300</u>	<u>300</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,351</u>	<u>\$ -</u>	<u>\$ 934</u>	<u>\$ 934</u>

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LIBRARY SERVICES AND TECHNOLOGY ACT GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,500	\$ 9,459	\$ 9,459	\$ -
Total revenues	<u>1,500</u>	<u>9,459</u>	<u>9,459</u>	<u>-</u>
Expenditures:				
Supplies				
Program supplies	1,500	6,459	6,459	-
Purchased and contracted services				
Professional services	<u>-</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Total expenditures	<u>1,500</u>	<u>9,459</u>	<u>9,459</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BUILDING AND REPAIR FUND
FOR THE YEAR ENDED DECEMBER 31, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Capital outlay				
Other capital outlay.	\$ 1,711,343	\$ 2,111,343	\$ -	\$ 2,111,343
Total expenditures	<u>1,711,343</u>	<u>2,111,343</u>	<u>-</u>	<u>2,111,343</u>
Excess of expenditures over revenues	<u>(1,711,343)</u>	<u>(2,111,343)</u>	<u>-</u>	<u>2,111,343</u>
Other financing sources:				
Transfers in	-	350,000	350,000	-
Total other financing uses	<u>-</u>	<u>350,000</u>	<u>350,000</u>	<u>-</u>
Net change in fund balance	(1,711,343)	(1,761,343)	350,000	2,111,343
Fund balance at beginning of year	<u>2,111,343</u>	<u>2,111,343</u>	<u>2,111,343</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 400,000</u></u>	<u><u>\$ 350,000</u></u>	<u><u>\$ 2,461,343</u></u>	<u><u>\$ 2,111,343</u></u>

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*INDIVIDUAL FUND SCHEDULE
FUND DESCRIPTION - FIDUCIARY FUND*

Fiduciary funds are used to account for assets held by the Library in a trustee capacity, or as an agent for individuals, private organizations, other governments and/or funds. The following is the Library's fiduciary fund type:

Agency Fund

Agency funds maintain assets held by the Library as an agent for individuals, private organizations, other governmental units and/or funds. These funds are purely custodial (assets equal liabilities) and therefore do not involve the measurement of results. The following is the Library's agency fund.

Flexible Spending Account Fund

To account for flexible spending accounts for employees.

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
DECEMBER 31, 2017*

Flexible Spending Account	Beginning Balance 1/1/2017	Additions	Reductions	Ending Balance 12/31/2017
Assets:				
Equity in pooled cash and investments. . . .	\$ 1,662	\$ 7,684	\$ 6,592	\$ 2,754
Total assets.	<u>\$ 1,662</u>	<u>\$ 7,684</u>	<u>\$ 6,592</u>	<u>\$ 2,754</u>
Liabilities:				
Funds held and due to others.	\$ 1,662	\$ 7,684	\$ 6,592	\$ 2,754
Total liabilities.	<u>\$ 1,662</u>	<u>\$ 7,684</u>	<u>\$ 6,592</u>	<u>\$ 2,754</u>

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STATISTICAL SECTION

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

STATISTICAL SECTION

This part of the Westerville School District Library's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Library's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the Library's financial performance and well-being have changed over time.	70
Revenue Capacity These schedules contain information to help the reader assess the Library's most significant local revenue sources, the income tax and property tax.	74
Debt Capacity These schedules present information to help the reader assess the affordability of the Library's current levels of outstanding debt and the Library's ability to issue additional debt in the future.	81
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Library's financial activities take place.	83
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the library's financial report relates to the services the city provides and the activities it performs.	85

TABLE 1

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*NET POSITION BY COMPONENT
LAST TWO YEARS
(ACCRUAL BASIS OF ACCOUNTING)*

	Year Ended	
	2016	2017
Governmental activities		
Net investment in capital assets	\$ 3,602,307	\$ 3,572,486
Restricted	7,651	1,308
Unrestricted	3,086,353	3,042,692
Total governmental activities net position .	<u>\$ 6,696,311</u>	<u>\$ 6,616,486</u>

Source: Westerville School District Library financial statements.

Note: 2017 is the first year the Library has presented its basic financial statements in accordance with GAAP. This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

TABLE 2

WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO

CHANGES IN NET POSITION
CURRENT YEAR
(ACCRUAL BASIS OF ACCOUNTING)

	<u>Year Ended</u>
	<u>2017</u>
Expenses	
Library services:	
Public services and programs	\$ 5,712,504
Collection development and processing	244,102
Support services:	
Facilities operation and maintenance	861,953
Information services	55,125
Business administration.	1,014,259
Interest and fiscal charges.	<u>6,733</u>
Total expenses	<u>7,894,676</u>
Program Revenues	
Charges for services and sales	
Library services:	
Public services and programs	240,026
Information services.	889
Operating grants and contributions	
Library services:	
Public services and programs	89,033
Collection development and processing	<u>2,734</u>
Total program revenues	<u>332,682</u>
Net (expense)/revenue.	<u>(7,561,994)</u>
General Revenues:	
Property taxes	4,096,002
Intergovernmental	3,239,407
Unrestricted gifts and donations	8,136
Investment earnings	49,413
Miscellaneous	<u>89,211</u>
Total general revenues	<u>7,482,169</u>
Change in net position.	<u><u>\$ (79,825)</u></u>

Source: Westerville School District Library financial statements.

Note: 2017 is the first year the Library has presented its basic financial statements in accordance with GAAP. This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

TABLE 3

WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TWO YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Year Ended	
	2016	2017
General Fund		
Nonspendable	\$ 344,330	\$ 319,447
Assigned	254,270	460,655
Unassigned	1,552,815	1,870,502
Total general fund	<u>\$ 2,151,415</u>	<u>\$ 2,650,604</u>
All Other Governmental Funds		
Restricted	7,651	1,308
Assigned	2,111,343	2,461,343
Total all other governmental funds	<u>\$ 2,118,994</u>	<u>\$ 2,462,651</u>

Source: Westerville School District Library financial statements.

Note: 2017 is the first year the Library has presented its basic financial statements in accordance with GAAP. This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

TABLE 4

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*GOVERNMENTAL FUND REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION
CURRENT YEAR*

	Year Ended
	2017
Revenues:	
Property taxes	\$ 4,132,232
Intergovernmental	3,337,765
Patron fines and fees	167,003
Services provided to other entities	73,912
Contributions, gifts and donations	90,444
Earnings on investments.	41,417
Miscellaneous	89,380
Total revenues	7,932,153
Expenditures	
Current:	
Library services:	
Public services and programs.	4,808,619
Collection development and processing	241,502
Support services:	
Facilities operation and maintenance	849,503
Information services.	46,958
Business administration.	847,721
Capital outlay.	237,002
Debt service:	
Principal retirement	95,542
Interest and fiscal charges	6,733
Total expenditures	7,133,580
Excess of revenues over expenditures	798,573
Other financing sources (uses)	
Capital lease transaction.	44,273
Transfers in	350,000
Transfers (out).	(350,000)
Total other financing sources (uses).	44,273
Net change in fund balances	\$ 842,846
Capital expenditures	171,231
Debt service as a percentage of noncapital expenditures	1.48%

Source: Westerville School District Library financial statements.

Note: 2017 is the first year the Library has presented its basic financial statements in accordance with GAAP. This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

TABLE 5

WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS

Year	Real Property		Public Utility Property	
	Estimated Actual Value (a)	Assessed Value	Estimated Actual Value (b)	Assessed Value
2008	\$ 6,897,595,143	\$ 2,414,158,300	\$ 105,040,171	\$ 36,764,060
2009	6,910,827,086	2,418,789,480	108,790,143	38,076,550
2010	6,952,743,600	2,433,460,260	111,615,800	39,065,530
2011	6,917,149,400	2,421,002,290	128,209,257	44,873,240
2012	6,462,339,229	2,261,818,730	104,746,743	36,661,360
2013	6,467,761,429	2,263,716,500	104,928,029	36,724,810
2014	6,481,877,514	2,268,657,130	104,276,057	36,496,620
2015	6,521,468,800	2,282,514,080	107,047,571	37,466,650
2016	6,525,847,200	2,284,046,520	110,884,486	38,809,570
2017	6,555,457,314	2,294,410,060	137,731,714	48,206,100

Source: Franklin County Auditor

Notes:

- (a) The assessed value of real property is fixed at 35% of true value and is determined pursuant to the rules of the State Tax Commissioner.
- (b) General business tangible personal property was assessed in previous years at 25% for machinery and equipment and 23% for inventories. House Bill 66 phased out general business tangible personal property tax beginning in 2006. The listing percentage is 18.75% for 2006, 12.5% for 2007, 6.25% for 2008 and 0% for 2009. Additionally, telephone property was reclassified to general business and assessed at 10% for 2009, 5% for 2010 and eliminated in 2011.
- (c) Assumes public utilities are assessed at true value which is 35%.
- (d) Tax rates are per \$1,000 of assessed value.

Tangible Personal Property		Total		Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
Estimated Actual Value (c)	Assessed Value	Estimated Actual Value	Assessed Value		
\$ 370,584,896	\$ 23,161,556	\$ 7,373,220,210	\$ 2,474,083,916	0.80	33.55%
40,648,120	4,064,812	7,060,265,349	2,460,930,842	0.80	34.86%
42,294,120	2,114,706	7,106,653,520	2,474,640,496	0.80	34.82%
-	-	7,045,358,657	2,465,875,530	0.80	35.00%
-	-	6,567,085,972	2,298,480,090	2.00	35.00%
-	-	6,572,689,458	2,300,441,310	2.00	35.00%
-	-	6,586,153,571	2,305,153,750	2.00	35.00%
-	-	6,628,516,371	2,319,980,730	2.00	35.00%
-	-	6,636,731,686	2,322,856,090	2.00	35.00%
-	-	6,693,189,028	2,342,616,160	2.00	35.00%

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TABLE 6

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS*

Collection Year	Current Tax Levy	Current Tax Collections (a)	Percent of Current Tax Collections to Current Levy	Delinquent Tax Collections (b)	Total Collections	Percent of Total Tax Collections to Current Tax Levy
2008	\$ 1,292,834	\$ 1,218,525	94.25%	\$ 35,030	\$ 1,253,555	96.96%
2009	1,271,151	1,217,878	95.81%	40,554	1,258,433	99.00%
2010	1,273,283	1,231,283	96.70%	35,871	1,267,154	99.52%
2011	1,277,292	1,211,067	94.82%	30,526	1,241,594	97.21%
2012	2,973,564	2,827,895	95.10%	93,320	2,921,214	98.24%
2013	2,962,765	2,814,533	95.00%	96,910	2,911,443	98.27%
2014	2,952,692	2,797,387	94.74%	78,848	2,876,235	97.41%
2015	2,919,521	2,788,937	95.53%	69,860	2,858,797	97.92%
2016	2,889,419	2,813,522	97.37%	70,401	2,883,923	99.81%
2017	2,915,005	2,873,197	98.57%	66,381	2,939,578	100.84%

Source: Franklin County Auditor

Notes:

- (a) Includes Homestead/Rollback exemptions assessed locally, but distributed through the State and reported as intergovernmental revenue.
- (b) The Franklin County Auditor's Office confirmed the Percent of Total Tax Collections to Current Tax Levy column includes percentages in excess of 100% due to timing issues with the collection of property taxes. The Franklin County Auditor's Office is unable to track delinquent taxes collected by year levied. Therefore, the Library has elected to show delinquent taxes by collection year. This presentation will be updated as new information becomes available.

TABLE 7

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATION)
LAST TEN YEARS*

Collection Year	Westerville School District Library	Westerville City School District	Franklin County	Delaware County	City of Westerville	City of Columbus	Blendon Township
2007	0.80	72.50	18.44	5.65	17.60	3.14	26.55
2008	0.80	72.50	18.49	5.65	17.64	3.14	26.51
2009	0.80	73.00	18.02	5.85	17.70	3.14	26.56
2010	0.80	73.00	18.07	6.64	17.70	3.14	26.56
2011	0.80	72.95	18.07	6.65	20.30	3.14	29.10
2012	2.00	73.20	18.07	6.65	20.30	3.14	29.10
2013	2.00	80.10	18.47	6.65	20.30	3.14	30.65
2014	2.00	80.05	18.47	7.51	20.30	3.14	30.65
2015	2.00	80.60	18.47	7.51	20.30	3.14	32.51
2016	2.00	80.50	18.47	6.75	20.30	3.14	32.51
2017	2.00	80.35	18.47	7.48	23.10	3.14	37.11

Source: Franklin County Auditor

Notes:

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in Table 5, generated the property tax revenue for that year.

Ohio Revised Code Sections 5705.02 and 5705.07 requires any millage exceeding the "unvoted" or "inside" millage can only be done by a vote of the people.

<u>Genoa Township</u>	<u>Plain Township</u>	<u>Sharon Township</u>	<u>Minerva Park Corp.</u>	<u>Westerville Corp. (Genoa)</u>
10.10	13.15	23.50	16.09	17.60
9.40	12.85	23.50	15.95	17.64
9.40	15.35	23.50	15.95	17.70
9.40	15.35	23.50	15.95	17.70
11.30	15.35	23.50	16.05	23.30
11.30	15.35	23.50	16.05	20.30
11.30	15.35	23.50	16.05	20.30
11.30	15.35	23.50	15.85	20.30
11.70	15.35	23.50	15.70	20.30
13.30	15.25	23.50	15.10	20.30
13.30	15.25	23.50	15.10	23.10

TABLE 8

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*REAL PROPERTY PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO*

<u>Name of Taxpayer</u>	<u>December 31, 2017</u>	
	<u>Assessed Valuation</u>	<u>Percent of Total</u>
Ohio Power Company	\$ 25,692,270	1.12%
Chestnut Hill Apartments Ltd	10,701,620	0.47%
American Municipal Power, Inc.	9,352,150	0.41%
Banc One Management Corp.	9,275,010	0.40%
CRI Easton Square LLC	8,699,890	0.38%
Turtle Station OH Partners LLC	8,549,670	0.37%
NRI Brooksedge LLC	7,641,960	0.33%
Columbus Metropolitan Housing	6,968,130	0.30%
LSREF3 Bravo (Ohio) LLC	6,860,010	0.30%
Columbia Gas of Ohio, Inc.	6,345,810	0.28%
Total	<u>\$ 100,086,520</u>	<u>4.36%</u>
Total Assessed Valuation	<u>\$ 2,294,410,060</u>	

<u>Name of Taxpayer</u>	<u>December 31, 2008</u>	
	<u>Assessed Valuation</u>	<u>Percent of Total</u>
Columbus Southern Power Co.	\$ 20,634,140	0.85%
Banc One Management Corp.	13,955,000	0.58%
NRI Booksedge LLC	9,812,350	0.41%
Chestnut Hill Apartments	9,453,020	0.39%
Remington Station	7,901,280	0.33%
Eastrich no 167 Corp.	7,700,010	0.32%
St. Ann's Hospital	6,920,870	0.29%
CRI Easton Square LLC	5,515,020	0.23%
G & I VI Hickory Creek LLC	5,355,000	0.22%
Audubon Road Associates	4,961,250	0.21%
Total	<u>\$ 92,207,940</u>	<u>3.82%</u>
Total Assessed Valuation	<u>\$ 2,414,158,300</u>	

Source: Franklin County Auditor

TABLE 9

WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO

COMPUTATION OF DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2017

<u>Jurisdiction</u>	<u>Governmental Activities Debt</u>	<u>Percentage Overlapping</u>	<u>Applicable to the City</u>
Direct:			
Westerville School District Library	\$ -	100.00%	\$ -
Overlapping Debt:			
Westerville City School District	53,070,000	100.00%	53,070,000
Delaware County	47,368,300	12.39%	5,868,932
Franklin County	221,125,000	5.41%	11,962,863
City of Columbus	1,500,970,000	3.47%	52,083,660
City of Westerville	12,775,000	97.09%	12,403,248
Blendon Township	5,265,000	98.95% x	5,209,718
Plain Township	1,221,000	1.08%	13,187
New Albany Plain Local Park District Miscellaneous	4,254,476	0.79%	33,610
Solid Waste Authority of Central Ohio Miscellaneous	49,545,000	6.17%	3,056,927
Total Overlapping Debt	<u>1,895,593,776</u>		<u>143,702,143</u>
Total Direct and Overlapping Debt	<u>\$ 1,895,593,776</u>		<u>\$ 143,702,143</u>

Source: Ohio Municipal Advisory Council

Note: The percentage of debt outstanding applicable to the Library was determined by dividing each jurisdiction's assessed valuation within the Library by the jurisdiction's total assessed valuation.

TABLE 10

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*RATIOS OF OUTSTANDING DEBT BY TYPE -
GOVERNMENTAL ACTIVITIES
LAST TWO YEARS*

Year	Capital Leases (a)	Total Personal Income (b)	Percentage of Personal Income	Population (b)	Per Capita
2016	\$ 144,144	\$ 3,603,904,590	0.0040%	94,390	\$ 1.53
2017	92,875	\$ 3,682,886,363	0.0025%	96,001	0.97

Sources:

- (a) See the notes to the financial statements regarding the City's debt information.
- (b) See Table 11 Demographic and Economic Statistics - Last Ten Years for personal income and population.

Note: 2017 is the first year the Library has presented its basic financial statements in accordance with GAAP. This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

TABLE 11

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS*

Year	Population (a)	Total Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rates (d)		
				Franklin County	Ohio	United States
2008	80,404	\$2,363,958,004	\$ 29,401	5.5%	6.5%	5.8%
2009	80,536	2,845,175,808	35,328	8.9%	10.7%	9.3%
2010	80,702	2,851,040,256	35,328	8.6%	9.5%	9.4%
2011	92,789	3,238,243,311	34,899	7.6%	8.1%	8.3%
2012	92,959	3,336,019,633	35,887	5.3%	6.6%	7.6%
2013	93,378	3,468,339,054	37,143	5.3%	3.6%	7.6%
2014	93,600	3,449,815,200	36,857	4.8%	4.8%	5.6%
2015	93,829	3,512,113,299	37,431	4.1%	4.7%	5.0%
2016	94,390	3,603,904,590	38,181	4.0%	4.9%	4.9%
2017	96,001	3,682,886,363	38,363	4.0%	5.0%	4.4%

Sources:

- (a) Population published by the Mid-Ohio Regional Planning Commission
- (b) Per capita income multiplied by population (in thousands)
- (c) U.S. Census Bureau
- (d) State of Ohio's CAFR, the Bureau of Labor Statistics and Ohio Labor Market Information

TABLE 12

WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2017			2008		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
J.P. Morgan Chase Bank NA	6,034	1	9.3%	3,979	1	6.7%
Mount Carmel Health Systems	3,428	2	5.3%	2,203	2	3.7%
Otterbein University	1,810	3	2.8%	1,841	4	3.1%
Westerville City Schools	1,750	4	2.7%	2,197	3	3.7%
Alliance Data Systems, Inc.	1,475	5	2.3%	1,269	6	2.1%
Ohio Health	958	6	1.5%	-	-	0.0%
Franklin Co. Education Service	946	7	1.5%	-	-	0.0%
City of Westerville	864	8	1.3%	850	8	1.4%
1-800 Flowers (Cheryl's Cookies)	712	9	1.1%	980	7	1.7%
Exel Inc.	668	10	1.0%	-	-	0.0%
CMS Subsidiary	-	-	-	1,371	5	2.3%
Heartland Employment	-	-	-	819	9	1.4%
Worthington Cylinders	-	-	-	685	10	1.2%
Total	18,645		28.8%	16,194		27.4%

Source: City of Westerville Division of Taxation

Note: Information for City employment only, Library information was not available. The total employment with the City was not available.

TABLE 13

WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST THREE YEARS

<u>Function/Program</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Library Services:			
Public services and programs	54.0	53.6	54.0
Collection development and processing	7.5	8.5	8.5
Support Services:			
Facilities operations and maintenance	4.0	4.5	5.0
Information services	4.5	3.0	3.5
Business administration	<u>10.0</u>	<u>8.6</u>	<u>8.6</u>
Total Number of Employees	<u><u>80.0</u></u>	<u><u>78.2</u></u>	<u><u>79.6</u></u>

Source: Westerville School District Library Records

Note: This schedule is intended to show information for 10 years. Data prior to 2015 is not available.
Additional years will be displayed as the information becomes available.

TABLE 14

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS*

Function/Program	2008	2009	2010	2011	2012	2013
Library Services:						
Public services and programs						
Number of materials circulated	2,071,711	2,199,919	2,034,712	1,965,438	2,269,798	2,117,367
Number of registered borrowers	102,200	94,450	102,264	98,350	99,962	111,154
Collection development and processing						
Number of materials owned	329,982	322,577	310,555	294,863	305,564	313,533
Support Services:						
Facilities operations and maintenance						
Square footage of facility maintained	102,300	102,300	102,300	102,300	102,300	102,300
Information Services Support						
Number of computers	192	202	202	212	102	120
Number of website visits	1,150,000	1,190,000	1,103,139	2,022,765	1,911,511	2,043,472

Source: Westerville School District Library Records

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
2,102,171	2,045,537	1,912,130	1,707,835
118,720	120,823	130,579	140,583
306,036	390,578	409,221	390,773
102,300	102,300	102,300	102,300
120	120	120	150
1,875,984	1,858,157	1,764,944	2,270,920

TABLE 15

**WESTERVILLE SCHOOL DISTRICT LIBRARY
FRANKLIN COUNTY, OHIO**

*CAPITAL ASSET STATISTICS BY FUNCTION
LAST TWO YEARS*

<u>Function</u>	<u>2016</u>	<u>2017</u>
Library services:		
Public services and programs		
Land	\$ 70,603	\$ 70,603
Land improvements	10,998	5,168
Buildings	2,982,532	2,819,235
Fixtures and equipment	643,876	573,108
Vehicles	27,318	22,234
Collection development and processing		
Fixtures and equipment	808	540
Support services:		
Facilities operations and maintenance		
Fixtures and equipment	3,854	86,136
Information services support		
Fixtures and equipment	3,827	25,093
Business administration		
Fixtures and equipment	<u>2,635</u>	<u>1,063</u>
Total Governmental Activities	<u>\$ 3,746,451</u>	<u>\$ 3,603,180</u>

Source: Westerville School District Library Records

Note: 2017 is the first year the Library has presented its basic financial statements in accordance with GAAP. This schedule is intended to show information for 10 years. Additional years will be displayed as information becomes available.

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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
JUNE 19, 2018