



**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008



Mary Taylor, CPA
Auditor of State



Dave Yost • Auditor of State

January 13, 2011

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 10, 2011. Thus, I am certifying this audit report for release under the signature of my predecessor.

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DAVE YOST
Auditor of State

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**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

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Mary Taylor, CPA
Auditor of State

Bucyrus Public Library
Crawford County
200 East Mansfield Street
Bucyrus, Ohio 44820

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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Mary Taylor, CPA
Auditor of State

November 17, 2010

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Bucyrus Public Library
Crawford County
200 East Mansfield Street
Bucyrus, Ohio 44820

To the Board of Trustees:

We have audited the accompanying financial statements of the Bucyrus Public Library, Crawford County, Ohio, (the Library) as of and for the years ended December 31, 2009 and 2008. These financial statements are the responsibility of the Library's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described more fully in Note 1, the Library has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Library's larger (i.e. major) funds separately. While the Library does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Libraries to reformat their statements. The Library has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2009 and 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Library as of December 31, 2009 and 2008, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Bucyrus Public Library, Crawford County, Ohio, as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Library has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2010, on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

Mary Taylor, CPA
Auditor of State

November 17, 2010

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent</u>	
Cash Receipts:					
Library and Local Government Support	\$ 517,421	\$ -	\$ -	\$ -	\$ 517,421
Patron Fines and Fees	5,478	-	-	-	5,478
Contributions, Gifts and Donations	12,845	14,253	67,015	-	94,113
Earnings on Investments	9,637	-	2,548	-	12,185
Miscellaneous	23,611	-	-	-	23,611
	<u>568,992</u>	<u>14,253</u>	<u>69,563</u>	<u>-</u>	<u>652,808</u>
Total Cash Receipts					
	<u>568,992</u>	<u>14,253</u>	<u>69,563</u>	<u>-</u>	<u>652,808</u>
Cash Disbursements:					
Current:					
Salaries and Benefits	314,356	-	-	-	314,356
Purchased and Contractual Services	116,762	-	-	-	116,762
Library Materials and Information	48,769	-	-	-	48,769
Supplies	20,784	-	-	-	20,784
Other	8,564	-	-	-	8,564
Capital Outlay	2,929	168,498	677,001	-	848,428
Debt Service:					
Redemption of Principal	-	-	210,000	-	210,000
Interest	-	-	14,214	-	14,214
	<u>512,164</u>	<u>168,498</u>	<u>901,215</u>	<u>-</u>	<u>1,581,877</u>
Total Cash Disbursements					
	<u>512,164</u>	<u>168,498</u>	<u>901,215</u>	<u>-</u>	<u>1,581,877</u>
Total Receipts Over/(Under) Disbursements	56,828	(154,245)	(831,652)	-	(929,069)
Other Financing Receipts / (Disbursements):					
Proceeds from Line of Credit	-	-	400,000	-	400,000
Transfers-In	-	-	405,834	-	405,834
Transfers-Out	(42,834)	(363,000)	-	-	(405,834)
	<u>(42,834)</u>	<u>(363,000)</u>	<u>805,834</u>	<u>-</u>	<u>400,000</u>
Total Other Financing Receipts/(Disbursements)					
	<u>(42,834)</u>	<u>(363,000)</u>	<u>805,834</u>	<u>-</u>	<u>400,000</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	13,994	(517,245)	(25,818)	-	(529,069)
Fund Cash Balances, January 1	(118,530)	642,928	429,850	9,755	964,003
Fund Cash Balances, December 31	<u>\$ (104,536)</u>	<u>\$ 125,683</u>	<u>\$ 404,032</u>	<u>\$ 9,755</u>	<u>\$ 434,934</u>
Reserve for Encumbrances, December 31	<u>\$ 7,777</u>	<u>\$ -</u>	<u>\$ 841</u>	<u>\$ -</u>	<u>\$ 8,618</u>

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

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent</u>	
Cash Receipts:					
Library and Local Government Support	\$ 629,480	\$ -	\$ -	\$ -	\$ 629,480
Patron Fines and Fees	7,216	-	-	-	7,216
Contributions, Gifts and Donations	5,753	168,055	128,696	-	302,504
Earnings on Investments	68,122	-	2,366	-	70,488
Miscellaneous	20,588	-	-	-	20,588
Total Cash Receipts	<u>731,159</u>	<u>168,055</u>	<u>131,062</u>	<u>-</u>	<u>1,030,276</u>
Cash Disbursements:					
Current:					
Salaries and Benefits	341,897	-	-	-	341,897
Purchased and Contractual Services	162,548	-	-	-	162,548
Library Materials and Information	73,901	-	-	-	73,901
Supplies	22,429	-	-	-	22,429
Other	3,394	-	-	-	3,394
Capital Outlay	6,697	-	2,878,108	-	2,884,805
Total Cash Disbursements	<u>610,866</u>	<u>-</u>	<u>2,878,108</u>	<u>-</u>	<u>3,488,974</u>
Total Receipts Over/(Under) Disbursements	120,293	168,055	(2,747,046)	-	(2,458,698)
Other Financing Receipts / (Disbursements):					
Transfers-In	-	-	2,016,788	-	2,016,788
Transfers-Out	(625,170)	(1,391,618)	-	-	(2,016,788)
Total Other Financing Receipts/(Disbursements)	<u>(625,170)</u>	<u>(1,391,618)</u>	<u>2,016,788</u>	<u>-</u>	<u>-</u>
Excess of Cash Receipts and Other Financing Receipts (Under) Cash Disbursements and Other Financing Disbursements	(504,877)	(1,223,563)	(730,258)	-	(2,458,698)
Fund Cash Balances, January 1	<u>386,347</u>	<u>1,866,491</u>	<u>1,160,108</u>	<u>9,755</u>	<u>3,422,701</u>
Fund Cash Balances, December 31	<u>\$ (118,530)</u>	<u>\$ 642,928</u>	<u>\$ 429,850</u>	<u>\$ 9,755</u>	<u>\$ 964,003</u>
Reserve for Encumbrances, December 31	<u>\$ 11,097</u>	<u>\$ -</u>	<u>\$ 158,655</u>	<u>\$ -</u>	<u>\$ 169,752</u>

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

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Bucyrus Public Library, Crawford County, Ohio (the Library) as a body corporate and politic. The City of Bucyrus appoints a six-member Board of Trustees to govern the Library. The Library provides the community with various educational and literary resources.

The Library's management believes these financial statements present all activities for which the Library is financially accountable.

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Library recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Deposits and Investments

The Library's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Library values certificates of deposit at cost. Common stock is valued at fair value when donated. Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

D. Fund Accounting

The Library uses fund accounting to segregate cash and investments that are restricted as to use. The Library classifies its funds into the following types:

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Library had the following significant special revenue funds:

Timken Grant Fund – This fund receives grant money from the Timken Foundation for the enhancement of the Library.

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Aileen Philbin Fund – This fund received monies from the last will and testament of Aileen Philbin from which income is to be used for the current operating expenses of the Library while principal is to be used for capital improvements.

3. Capital Project Funds

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through trust funds). The Library had the following significant capital project fund:

Building Fund – This fund receives money for the addition to and capital improvement of the Library.

4. Permanent Funds

These funds account for assets held under a trust agreement that are legally restricted to the extent that only earnings, not principal, are available to support the Library's programs.

E. Budgetary Process

The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end. Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, and object level of control.

A summary of 2009 and 2008 budgetary activity appears in Note 4.

F. Property, Plant, and Equipment

The Library records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

2. Equity in Pooled Deposits and Investments

The Library maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 were as follows:

	2009	2008
Deposits	\$12,260	\$241,896
Certificates of deposit	\$7,577	\$632,577
Money market	\$359,790	\$34,359
Petty cash	100	100
Total deposits and petty cash	379,727	908,932
STAR Ohio	45,116	44,991
Donated common stock	10,091	10,080
Total investments	55,207	55,071
Total deposits and investments	\$434,934	\$964,003

Deposits: Deposits are insured by the Federal Depository Insurance Corporation, collateralized by securities specifically pledged by the financial institution to the Library, or collateralized by the financial institution's public entity deposit pool.

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form. Equity securities are held in book entry form by a financial institution's trust department in the Library's name.

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2009, and December 31, 2008, follows:

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$628,853	\$568,992	(\$59,861)
Special Revenue	19,000	14,253	(4,747)
Capital Projects	800,000	875,397	75,397
Permanent	0	0	0
Total	\$1,447,853	\$1,458,642	\$10,789

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

3. Budgetary Activity (Continued)

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$573,362	\$562,775	\$10,587
Special Revenue	336,200	531,498	(195,298)
Capital Projects	908,655	902,056	6,599
Permanent	9,450	0	9,450
Total	<u>\$1,827,667</u>	<u>\$1,996,329</u>	<u>(\$168,662)</u>

2008 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$737,756	\$731,159	(\$6,597)
Special Revenue	76,050	168,055	\$92,005
Capital Projects	50,000	2,147,850	2,097,850
Permanent	335	0	(335)
Total	<u>\$864,141</u>	<u>\$3,047,064</u>	<u>\$2,182,923</u>

2008 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$724,694	\$1,247,133	(\$522,439)
Special Revenue	1,835,564	1,391,618	443,946
Capital Projects	1,361,122	3,036,763	(1,675,641)
Permanent	9,450	0	9,450
Total	<u>\$3,930,830</u>	<u>\$5,675,514</u>	<u>(\$1,744,684)</u>

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Aileen Philbin fund by \$218,498 for the year ended December 31, 2009. Budgetary expenditures exceeded appropriation authority in the General fund by \$522,429, in the Timken Grant fund by \$159,066, in the Building Fund by \$1,675,641, in the Mary Beer fund by \$35, in the Community Foundation Grant fund by \$987, in the Aileen Philbin fund by \$49,932, and in the Corrine Boryczka fund by \$1,168 for the year ended December 31, 2008.

4. Grants-In-Aid

The primary source of revenue for Ohio public libraries is the State Library and Local Government Support Fund (LLGSF). The State allocates LLGSF to each county based on the county's prior intangibles tax of LLGSF revenues, and its population. The County Budget Commission allocates these funds to the Library based on its needs such as for the construction of new library buildings, improvements, operation, maintenance, or other expenses. The Budget Commission cannot reduce its allocation of these funds to the Library based on any additional revenues the Library receives.

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

5. Debt

In 2009, the Library obtained an \$800,000 commercial line of credit from Farmers Citizens Bank. The Library drew down \$400,000 in proceeds from the line of credit for the purpose of completing the Library's capital improvement project. During 2009, the Library made \$210,000 in principal payments and \$14,214 in interest payments. The interest rate on the line of credit is 5.15% on any outstanding principal balance and the Library is required to make monthly interest-only payments until paid in full.

6. Retirement Systems

The Library's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, OPERS members contributed 10% of their gross salaries and the Library contributed an amount equaling 14% of participants' gross salaries. The Library has paid all contributions required through December 31, 2009.

7. Interfund Transfers

During 2009 and 2008, the following transfers were made to the Building Fund for the purpose of constructing a new addition to, and making certain capital improvements to the Library.

	2009	2008
General Fund	\$42,834	\$625,170
Gladys Grove Special Revenue Fund	63,000	36,722
Aileen Philbin Special Revenue Fund	300,000	792,524
Timken Grant Special Revenue Fund	-	359,066
Corrine Boryzka Special Revenue Fund	-	54,443
Community Foundation Special Revenue Fund	-	31,008
Mary Beer Special Revenue Fund	-	1,633
Alpha & Inez Philbin Special Revenue Fund	-	116,222
Total amount transferred	\$405,834	\$2,016,788

8. Risk Management

Commercial Insurance

The Library has obtained commercial insurance for the following risks:

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

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

9. Management Plan

The negative cash balances of \$118,530 at 12/31/08 and \$104,536 at 12/31/09 in the Library's General fund is due primarily to transfers made from the General fund to the Building fund for the new addition and capital improvements made to the Library, as disclosed in Note 7. As a result, management, under the direction of the Board, has implemented the following plan to replenish the General fund balance.

- Consult with Library legal counsel on legality of transferring unrestricted balances currently being reported in the Special Revenue fund type to the General fund.
- Upon full payment of the outstanding line of credit, consult with Library legal counsel on legality of transferring the remaining balance in the Building fund back to the General fund. As of November 30, 2010, the balance on the line of credit was \$137,012.
- Monitoring receipts and expenditures of the General fund and making any necessary budget cuts, in addition to those already implemented during 2008 and 2009.

Management will continue to monitor the General fund financial position and report to the Board of Trustees to determine the effectiveness of these strategies. Additionally, the Library has passed a balanced budget for 2010.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Bucyrus Public Library
Crawford County
200 East Mansfield Street
Bucyrus, Ohio 44820

To the Board of Trustees:

We have audited the financial statements of the Bucyrus Public Library, Crawford County, Ohio, (the Library) as of and for the years ended December 31, 2009, and December 31, 2008, and have issued our report thereon dated November 17, 2010, wherein we noted the Library followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Library's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Library's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Library's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2009-001 described in the accompanying schedule of findings to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the 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, providing an opinion 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 an instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2009-002.

We also noted a certain matter not requiring inclusion in this report that we reported to the Library's management in a separate letter dated November 17, 2010.

The Library's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Library's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of management, the Library Board of Trustees, and others within the Library. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

November 17, 2010

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2009 AND 2008**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number	2009-001
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Financial Reporting – Material Weakness

Sound financial reporting is the responsibility of the Clerk/Treasurer, Director, and the Board of Trustees and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The following adjustments and reclassifications were made to the December 31, 2009 financial statements and the Library's accounting records:

1. An adjustment to reduce interest by \$2,366 in the Building Fund for 2008 interest which was improperly recorded in 2009.
2. An adjustment of \$199,238 for bank transfer which was improperly recorded as contributions, gifts, and donations receipt in the Building Fund.
3. Reclassifications of \$300,000 in the Building Fund and Aileen Philbin Special Revenue Fund for transfer in/out improperly recorded as an advance in/out.
4. Adjustments were made to properly record Proceeds from Line of Credit of \$400,000, Principal Retirement of \$210,000, and Interest Expense of \$14,214 in the Building Fund.

The following adjustments and reclassifications were made to the December 31, 2008 financial statements and the Library's accounting records:

1. An adjustment of \$3,534 for bank transfer which improperly recorded in the General Fund as a transfer in.
2. Adjustments were made in the General Fund, Alpha & Inez Philbin Special Revenue Fund, and Building Fund to correct prior year audit adjustments that were improperly run through 2008 activity, in addition to being made to the beginning 2008 fund balance.
3. A reclassification of \$359,066 in the Timken Grant Special Revenue Fund for transfer out improperly recorded as capital outlay expenditure.
4. An adjustment of \$199,238 for bank transfers which were improperly recorded as capital outlay expenditures in the Building Fund.
5. An adjustment of \$2,366 to record 2008 interest in the Building Fund which was improperly recorded in 2009.

The adjustments and reclassifications identified above should be reviewed by the Clerk/Treasurer, Director, and Board of Trustees to ensure that similar errors are not reported on financial statements in subsequent years. In addition, the Library should develop procedures for the periodic review of the activity posted to the accounting records, as well as, for the review of the financial statement information to ensure it accurately reflects the Library's activity.

Officials' Response:

We acknowledge this finding which is due to procedural and accounting issues, not problems with our actual cash position. We will work diligently and proactively to address this issue and avoid it in the future.

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2009 AND 2008
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number	2009-002
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Expenditures Exceed Appropriations – Material Noncompliance

Ohio Administrative Code Section 117-8-02 states the Library’s legislative body shall adopt appropriation measures. These measures establish the legal level of control. The legal level of control is the level (e.g. fund, program or function, department, object level) at which spending in excess of budgeted amounts would be a violation of law. This is established by the level at which the legislative body appropriates.

At December 31, 2009, expenditures exceeded appropriations in the following funds:

Fund	Appropriation Authority	Budgetary Expenditures	Variance
Aileen Philbin Fund	\$250,000	\$468,498	(\$218,498)

At December 31, 2008, expenditures exceeded appropriations in the following funds:

Fund	Appropriation Authority	Budgetary Expenditures	Variance
General Fund	\$724,694	\$1,247,133	(\$522,439)
Timken Grant Fund	\$200,000	\$359,066	(\$159,066)
Building Fund	\$1,361,122	\$3,036,763	(\$1,675,641)
Mary Beer Fund	\$1,598	\$1,633	(\$35)
Community Foundation Grant Fund	\$30,021	\$31,008	(\$987)
Aileen Philbin Fund	\$66,290	\$116,222	(\$49,932)
Corrine Boryczka Fund	\$53,275	\$54,443	(\$1,168)

We recommend the Clerk/Treasurer and the Board of Trustees monitor budget versus actual reports throughout the year to ensure budgetary expenditures do not exceed appropriations. In order to keep budgetary expenditures within appropriated amounts, the Board of Trustees may amend the annual appropriation measure by approving supplemental appropriations. All board approved annual and supplemental appropriations should be posted to the ledgers by the Clerk/Treasurer to allow for a meaningful comparison of budgeted vs. actual appropriations.

Officials’ Response:

We acknowledge this finding which is due to procedural and accounting issues, not problems with our actual cash position. We will work diligently and proactively to address this issue and avoid it in the future.

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2009 AND 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2007-001	Payroll Clearing Account	Yes	
2007-002	Financial Reporting	No	Not corrected – Comment has been repeated in current audit as finding #2009-001.
2007-003	Receipt Posting	Yes	

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Mary Taylor, CPA
Auditor of State

BUCYRUS PUBLIC LIBRARY

CRAWFORD 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
JANUARY 13, 2011**