



**BEXLEY PUBLIC LIBRARY
FRANKLIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2008-2007



Mary Taylor, CPA
Auditor of State

**BEXLEY PUBLIC LIBRARY
FRANKLIN COUNTY**

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Mary Taylor, CPA
Auditor of State

Bexley Public Library
Franklin County
2411 E. Main Street
Bexley, Ohio 43209

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 Library 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

April 30, 2009

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Bexley Public Library
Franklin County
2411 E. Main Street
Bexley, Ohio 43209

To the Board of Trustees:

We have audited the accompanying financial statements of the Bexley Public Library, Franklin County, Ohio (the Library), as of and for the years ended December 31, 2008 and 2007. 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 opinions.

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 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 amount reports pursuant to this non-GAAP basis is in the second following paragraph.

In our opinion, because of the effect of the matter discussed in the preceding two paragraphs, the financial statements referred to above 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, 2008 and 2007, or its changes in financial position or cash flows, where applicable, for the years then ended.

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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 Bexley Public Library, Franklin County, Ohio, as of December 31, 2008 and 2007, 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 April 30, 2009, 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 cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

April 30, 2009

**BEXLEY PUBLIC LIBRARY
FRANKLIN COUNTY**

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

	<u>All Fund Types</u>				<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent</u>	
Cash Receipts:					
Public Library Fund	\$ 1,856,026	\$ -	\$ -	\$ -	\$ 1,856,026
Patron Fines and Fees	68,722	-	-	-	68,722
Contributions, Gifts and Donations	11,780	2,600	-	1,010	15,390
Earnings on Investments	6,986	40	31,487	1,516	40,029
Miscellaneous Receipts	10,730	-	-	-	10,730
Total Cash Receipts	<u>1,954,244</u>	<u>2,640</u>	<u>31,487</u>	<u>2,526</u>	<u>1,990,897</u>
Cash Disbursements:					
Current:					
Salaries	1,168,920	-	-	-	1,168,920
Employee Fringe Benefits	389,618	-	-	-	389,618
Purchased and Contractual Services	181,840	1,850	-	-	183,690
Library Materials and Information	234,896	-	-	1,467	236,363
Supplies	43,370	-	-	-	43,370
Other	6,398	-	-	-	6,398
Capital Outlay	779	-	53,798	-	54,577
Total Cash Disbursements	<u>2,025,821</u>	<u>1,850</u>	<u>53,798</u>	<u>1,467</u>	<u>2,082,936</u>
Total Receipts Over/(Under) Disbursements	(71,577)	790	(22,311)	1,059	(92,039)
Fund Cash Balances, January 1	329,054	1,518	1,138,144	59,898	1,528,614
Fund Cash Balances, December 31	<u>\$ 257,477</u>	<u>\$ 2,308</u>	<u>\$ 1,115,833</u>	<u>\$ 60,957</u>	<u>\$ 1,436,575</u>
Reserve for Encumbrances, December 31	<u>\$ 62,984</u>	<u>\$ -</u>	<u>\$ 44,835</u>	<u>\$ -</u>	<u>\$ 107,819</u>

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

BEXLEY PUBLIC LIBRARY
FRANKLIN COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
Cash Receipts:	
Sales	\$ 89
Total Cash Receipts	<u>89</u>
Cash Disbursements:	
Current:	
Supplies	<u>178</u>
Total Cash Disbursements	<u>178</u>
Total Receipts (Under) Disbursements	(89)
Fund Cash Balance, January 1	<u>540</u>
Fund Cash Balance, December 31	<u><u>\$ 451</u></u>

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

**BEXLEY PUBLIC LIBRARY
FRANKLIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>All Fund Types</u>				<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent</u>	
Cash Receipts:					
Library and Local Government Support	\$ 1,886,471	\$ -	\$ -	\$ -	\$ 1,886,471
Patron Fines and Fees	70,146	-	-	-	70,146
Contributions, Gifts and Donations	18,389	2,400	-	2,920	23,709
Earnings on Investments	18,133	111	57,768	2,883	78,895
Miscellaneous Receipts	6,694	-	-	-	6,694
Total Cash Receipts	<u>1,999,833</u>	<u>2,511</u>	<u>57,768</u>	<u>5,803</u>	<u>2,065,915</u>
Cash Disbursements:					
Current:					
Salaries	1,131,771	-	-	-	1,131,771
Employee Fringe Benefits	394,583	-	-	-	394,583
Purchased and Contractual Services	190,083	3,300	-	-	193,383
Library Materials and Information	250,995	1,985	-	1,758	254,738
Supplies	39,287	-	-	-	39,287
Other	6,024	-	-	-	6,024
Capital Outlay	2,244	-	94,383	-	96,627
Total Cash Disbursements	<u>2,014,987</u>	<u>5,285</u>	<u>94,383</u>	<u>1,758</u>	<u>2,116,413</u>
Total Receipts Over/(Under) Disbursements	(15,154)	(2,774)	(36,615)	4,045	(50,498)
Fund Cash Balances, January 1	344,208	4,292	1,174,759	55,853	1,579,112
Fund Cash Balances, December 31	<u>\$ 329,054</u>	<u>\$ 1,518</u>	<u>\$ 1,138,144</u>	<u>\$ 59,898</u>	<u>\$ 1,528,614</u>
Reserve for Encumbrances, December 31	<u>\$ 62,672</u>	<u>\$ -</u>	<u>\$ 9,291</u>	<u>\$ -</u>	<u>\$ 71,963</u>

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

**BEXLEY PUBLIC LIBRARY
FRANKLIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Proprietary Fund Type
	Enterprise
Cash Receipts:	
Sales	\$ 280
Total Cash Receipts	280
Cash Disbursements:	
Current:	
Supplies	125
Total Cash Disbursements	125
Total Receipts Over Disbursements	155
Fund Cash Balance, January 1	385
Fund Cash Balance, December 31	\$ 540

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

**BEXLEY PUBLIC LIBRARY
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

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 Bexley Public Library, Franklin County, Ohio (the Library) as a body corporate and politic. The Bexley City School District Board of Education appoints a 7 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. Basis of Accounting

These financial statements follow the basis of accounting the Auditor of State prescribes or permits. This accounting basis is similar to the cash receipts and disbursement 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. Cash 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. Money market mutual funds (including STAR OHIO) are recorded at share values the mutual fund reports.

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 accounts for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Fund

These funds account for the proceeds from specific sources (other than from private purpose trust or for capital projects) that are restricted to expenditure for specific purposes. The Library had the following Special Revenue Funds:

Samuel C. Shamansky Expendable Trust Fund – This Special Revenue Fund receives gifts and donations from benefactors and expends the resources for Library goods and services at the discretion of the Library Director.

**BEXLEY PUBLIC LIBRARY
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Fund (Continued)

Jane Brown Children's Book Fund – This Special Revenue Fund receives gifts and donations from benefactors and expends the resources for the Library's children books at the discretion of the Library Director.

3. Capital Projects Fund

This fund accounts for receipts restricted to acquiring or constructing major capital projects. The Library had the following Capital Projects Fund:

Building and Repair Fund – The monies maintained in this fund are to be used for the future purchase of land, and for improving and expanding the existing library facility.

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. The Library had the following significant Permanent Funds:

John F. Schacht Endowment Fund– This Permanent Fund receives gifts and donations from benefactors and uses the interest earned on the fund balance to purchase mathematics books for the Library.

Brad Alan Sokolov Endowment Fund – This Permanent Fund receives gifts and donations from benefactors and uses the interest earned on the fund balance to purchase audiovisual materials.

Louise M. McCulloch Endowment for Literary and Scholarly Works Fund – This Permanent Fund receives gifts and donations from benefactors and uses the interest earned on the fund balance to purchase literary and scholarly books and to pay expenses for organizing lectures, speaking and educational programs.

5. Enterprise Fund

This fund accounts for operations that are similar to private business enterprises where management intends to recover the significant costs of providing certain goods or services through user charges. The Library had the following Enterprise Fund:

Vending Machine Fund – Monies are collected as receipts from the vending machine. The revenues from these sales are utilized to replenish the vending machine.

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 2008 and 2007 budgetary activity appears in Note 3.

**BEXLEY PUBLIC LIBRARY
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property, Plant and Equipment

The Library records disbursements for acquisition 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.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2008	2007
Demand deposits	\$151,934	\$179,042
Certificates of Deposit	\$388,483	\$475,893
Total deposits	\$540,417	\$654,935
Star Ohio	\$896,609	\$874,219
Total investments	\$896,609	\$874,219
Total deposits and investments	\$1,437,026	\$1,529,154

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

Investments: Investments in STAR OHIO are not evidenced by securities existing in physical or book-entry form.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2008 and December 31, 2007 follows:

Fund Type	2008 Budgeted vs. Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance
General	\$2,110,162	\$1,954,244	(\$155,918)
Special Revenue	4,250	2,640	(1,610)
Capital Projects	35,000	31,487	(3,513)
Permanent Funds	4,390	2,526	(1,864)
Enterprise Fund	500	89	(411)
Total	\$2,154,302	\$1,990,986	(\$163,316)

**BEXLEY PUBLIC LIBRARY
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2008 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,298,434	\$2,088,805	\$209,629
Special Revenue	5,767	1,850	3,917
Capital Projects	1,173,144	98,633	1,074,511
Permanent Funds	64,288	1,467	62,821
Enterprise Fund	1,040	178	862
Total	<u>\$3,542,673</u>	<u>\$2,190,933</u>	<u>\$1,351,740</u>

2007 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,102,045	\$1,999,833	(\$102,212)
Special Revenue	4,200	2,511	(1,689)
Capital Projects	35,000	57,768	22,768
Permanent Funds	2,925	5,803	2,878
Enterprise Fund	600	280	(320)
Total	<u>\$2,144,770</u>	<u>\$2,066,195</u>	<u>(\$78,575)</u>

2007 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,446,253	\$2,077,659	\$368,594
Special Revenue	8,492	5,285	3,207
Capital Projects	1,209,759	103,674	1,106,085
Permanent Funds	58,778	1,758	57,020
Enterprise Fund	985	125	860
Total	<u>\$3,724,267</u>	<u>\$2,188,501</u>	<u>\$1,535,766</u>

4. GRANTS-IN-AID RECEIPTS

During 2007 the primary source of revenue for Ohio public libraries is the State Library and Local Government Support Fund (LLGSF).

As of January 2008, Ohio public libraries are funded through 2.22% of the state's total general tax revenue. This change broadens the base of library funding to all General Revenue tax revenues, not just personal income tax.

**BEXLEY PUBLIC LIBRARY
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

4. GRANTS-IN-AID RECEIPTS (Continued)

The State allocated LLGSF, and now PLF to each county based upon a formula that includes the county's prior intangibles tax revenues, and its population. The County Budget Commission allocates these funds to the Library based on its needs such as 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 received.

5. RETIREMENT SYSTEM

The Ohio Public Employees Retirement System (OPERS) is a state operated, cost sharing, multiple employer public employee retirement system. The Ohio Revised Code prescribes retirement benefits for vested employees who are eligible to retire based upon years of service. OPERS also provides survivor and disability benefits to vested employees as the Ohio Revised Code prescribes.

The Ohio Revised Code also prescribes contribution rates. The Library's OPERS members contribute 10 and 9.5 percent of their 2008 and 2007 gross salaries. The Library contributed an amount equal to 14 and 13.85 percent of participants' 2008 and 2007 gross salaries. The Library has paid all contributions required through December 31, 2008.

6. RISK MANAGEMENT

Commercial Insurance

The Bexley Public Library has obtained commercial insurance for the following risks:

Comprehensive property and general liability; and
Errors and omissions.

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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*

Bexley Public Library
Franklin County
2411 East Main Street
Bexley, Ohio 43209

To the Board of Trustees:

We have audited the financial statements of the Bexley Public Library, Franklin County, Ohio, (the Library) as of and for the years ended December 31, 2008 and, 2007, which collectively comprise the Library's basic financial statements and have issued our report thereon dated April 30, 2009, 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 expressing our opinion on the financial statements, but not to opine 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.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Library's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Library's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Library's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted a certain matter that we reported to the Library's management in a separate letter dated April 30, 2009.

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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of management and the Board of Trustees. 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

April 30, 2009



Mary Taylor, CPA
Auditor of State

BEXLEY PUBLIC LIBRARY

FRANKLIN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 16, 2009**