



Dave Yost • Auditor of State

**BEXLEY PUBLIC LIBRARY
FRANKLIN COUNTY**

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Dave Yost • Auditor of State

Bexley Public Library
Franklin County
2411 E Main St
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.

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Dave Yost
Auditor of State

June 9, 2011

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Bexley Public Library
Franklin County
2411 E Main St
Bexley, Ohio 43209

To the Board of Trustees:

We have audited the accompanying financial statements of Bexley Public Library, Franklin County, Ohio (the Library) as of and for the years ended December 31, 2010 and 2009. 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, 2010 and 2009 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, 2010 and 2009, or its changes in financial position or cash flows, where applicable, 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 Bexley Public Library, Franklin County, Ohio as of December 31, 2010 and 2009, 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 June 9, 2011, 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.



Dave Yost
Auditor of State

June 9, 2011

**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, 2010**

	<u>All Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent</u>	
Cash Receipts:					
Property and Other Local Taxes	\$ 599,144	\$ -	\$ -	\$ -	\$ 599,144
Public Library Funds	1,433,286	-	-	-	1,433,286
Intergovernmental	85,436	-	-	-	85,436
Patron Fines and Fees	53,807	-	-	-	53,807
Contributions, Gifts and Donations	58,678	3,950	-	1,700	64,328
Earnings on Investments	927	29	3,803	126	4,885
Miscellaneous	8,940	-	-	-	8,940
Total Cash Receipts	2,240,218	3,979	3,803	1,826	2,249,826
Cash Disbursements:					
Current:					
Salaries	1,001,869	-	-	-	1,001,869
Employee Fringe Benefits	333,478	-	-	-	333,478
Purchased and Contractual Services	247,995	600	-	-	248,595
Library Materials and Information	269,117	447	-	945	270,509
Supplies	58,897	1,138	-	-	60,035
Other	4,521	-	-	-	4,521
Capital Outlay	6,936	-	70,317	-	77,253
Total Cash Disbursements	1,922,813	2,185	70,317	945	1,996,260
Total Receipts Over/(Under) Disbursements	317,405	1,794	(66,514)	881	253,566
Fund Cash Balances, January 1	191,914	12,828	1,009,268	60,936	1,274,946
Fund Cash Balances, December 31	\$ 509,319	\$ 14,622	\$ 942,754	\$ 61,817	\$ 1,528,512
Reserve for Encumbrances, December 31	\$ 107,137	\$ -	\$ 4,545	\$ -	\$ 111,682

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, 2010**

	Proprietary Fund Type
	Enterprise
Cash Receipts:	
Sales	\$ 238
Total Cash Receipts	238
Cash Disbursements:	
Current:	
Supplies	144
Total Cash Disbursements	144
Total Receipts Over Disbursements	94
Fund Cash Balance, January 1	490
Fund Cash Balance, December 31	\$ 584

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, 2009**

	<u>All Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent</u>	
Cash Receipts:					
Public Library Funds	\$ 1,525,619	\$ -	\$ -	\$ -	\$ 1,525,619
Patron Fines and Fees	60,709	-	-	-	60,709
Contributions, Gifts and Donations	50,151	12,410	-	500	63,061
Earnings on Investments	313	10	16,256	167	16,746
Miscellaneous	7,199	-	-	-	7,199
Total Cash Receipts	1,643,991	12,420	16,256	667	1,673,334
Cash Disbursements:					
Current:					
Salaries	1,053,024	-	-	-	1,053,024
Employee Fringe Benefits	352,465	-	-	-	352,465
Purchased and Contractual Services	217,433	1,313	-	-	218,746
Library Materials and Information	134,117	349	-	688	135,154
Supplies	22,236	238	-	-	22,474
Other	5,279	-	-	-	5,279
Capital Outlay	-	-	47,821	-	47,821
Total Cash Disbursements	1,784,554	1,900	47,821	688	1,834,963
Total Receipts Over/(Under) Disbursements	(140,563)	10,520	(31,565)	(21)	(161,629)
Other Financing Receipts / (Disbursements):					
Transfers-In	75,000	-	-	-	75,000
Transfers-Out	-	-	(75,000)	-	(75,000)
Total Other Financing Receipts / (Disbursements)	75,000	-	(75,000)	-	-
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(65,563)	10,520	(106,565)	(21)	(161,629)
Fund Cash Balances, January 1	257,477	2,308	1,115,833	60,957	1,436,575
Fund Cash Balances, December 31	\$ 191,914	\$ 12,828	\$ 1,009,268	\$ 60,936	\$ 1,274,946
Reserve for Encumbrances, December 31	\$ 65,281	\$ -	\$ -	\$ -	\$ 65,281

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, 2009**

	<u>Proprietary Fund Type</u>	
	<u>Enterprise</u>	
Cash Receipts:		
Sales	\$	260
		<u>260</u>
Total Cash Receipts		<u>260</u>
Cash Disbursements:		
Current:		
Supplies		<u>221</u>
Total Cash Disbursements		<u>221</u>
Total Receipts Over Disbursements		39
Fund Cash Balance, January 1		<u>451</u>
Fund Cash Balance, December 31	\$	<u><u>490</u></u>

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, 2010 AND 2009**

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. 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. 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 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:

The Crane 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 Paige Crane and the Library Director.

**BEXLEY PUBLIC LIBRARY
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Radnor Expendable Trust Fund for Children's Services – This Special Revenue Fund receives gifts and donations from benefactors and expends the resources for children services at the discretion of Alan Radnor and the Library Director.

3. Capital Project Funds

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 collected are 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 2010 and 2009 budgetary activity appears in Note 3.

**BEXLEY PUBLIC LIBRARY
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

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.

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 was as follows:

	2010	2009
Demand deposits	303,207	284,432
Certificates of deposit	621,464	387,233
Total deposits	924,671	671,665
STAR Ohio	604,425	603,771
Total investments	604,425	603,771
Total deposits and investments	1,529,096	1,275,436

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

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2010 and December 31, 2009 follows:

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	2,222,918	2,240,218	17,300
Special Revenue	3,962	3,979	17
Capital Projects	2,750	3,803	1,053
Permanent	1,251	1,826	575
Enterprise Fund	170	238	68
Total	2,231,051	2,250,064	19,013

**BEXLEY PUBLIC LIBRARY
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

3. Budgetary Activity (Continued)

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	2,403,757	2,029,950	373,807
Special Revenue	16,131	2,185	13,946
Capital Projects	1,029,268	74,862	954,406
Permanent	5,248	945	4,303
Enterprise Fund	690	144	546
Total	3,455,094	2,108,086	1,347,008

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	1,927,055	1,718,991	(208,064)
Special Revenue	5,250	12,420	7,170
Capital Projects	35,000	16,256	(18,744)
Permanent	3,980	667	(3,313)
Enterprise Fund	300	260	(40)
Total	1,971,585	1,748,594	(222,991)

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	2,074,168	1,849,835	224,333
Special Revenue	7,558	1,900	5,658
Capital Projects	1,115,289	122,821	992,468
Permanent	7,790	688	7,102
Enterprise Fund	751	221	530
Total	3,205,556	1,975,465	1,230,091

4. Grants-in-aid and Tax Receipts

The primary source of revenue for Ohio public libraries is the Public Library Fund (PLF). The State allocates PLF to each county based on the total tax revenue credited to the State's general revenue fund during the preceding month. The County Budget Commission bases the amount for distribution on the needs of such library for the construction of new library buildings, parts of buildings, improvements, operation, maintenance, or other expenses. The County Budget Commission cannot reduce its allocation of these funds to the Library based on of any additional revenues the Library receives.

Real property taxes become a lien on January 1 preceding the October 1 date for which the taxing authority of the subdivision to whose jurisdiction the Library is subject adopts rates. The State Department of Taxation, Division of Tax Equalization, adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Revenue. Payments are due to the County by December 31.

**BEXLEY PUBLIC LIBRARY
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

4. Grants-in-aid and Tax Receipts (Continued)

If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the taxing district.

Property owners assess tangible personal property tax. These owners must file a list of tangible property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Library.

5. Retirement 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 2010 and 2009, 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, 2010.

6. Risk Management

Commercial Insurance

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Errors and omission

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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 E Main St
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, 2010 and 2009, and have issued our report thereon dated June 9, 2011, 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 control over financial reporting. Accordingly, we have not opined on the effectiveness of the Library's internal control over financial reporting.

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 more than a reasonable possibility that a material misstatement of the Library's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

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*.

88 East Broad Street, Tenth Floor, Columbus, Ohio 43215-3506
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www.auditor.state.oh.us

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 black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

June 9, 2011



Dave Yost • Auditor of State

BEXLEY COUNTY 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
JULY 5, 2011**