



**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010



Dave Yost • Auditor of State

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

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Dave Yost • Auditor of State

Bucyrus Public Library
Crawford County
200 E. 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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Dave Yost
Auditor of State

August 22, 2012

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Dave Yost • 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, 2011 and 2010. 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, 2011 and 2010 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, 2011 and 2010, 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 as of December 31, 2011 and 2010 and the reserves for encumbrances as of December 31, 2010 of the Bucyrus Public Library, Crawford County, Ohio, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As described in Note 2, during 2011 the Library adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 22, 2012, 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 "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State

August 22, 2012

**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, 2011**

	General	Special Revenue	Capital Projects	Permanent	Totals (Memorandum Only)
Cash Receipts					
Library and Local Government Support	\$ 506,369	\$ -	\$ -	\$ -	\$ 506,369
Patron Fines and Fees	11,813	-	-	-	11,813
Contributions, Gifts and Donations	39,257	13,292	7,651	-	60,200
Earnings on Investments	4,346	-	-	-	4,346
Miscellaneous	14,742	-	-	-	14,742
<i>Total Cash Receipts</i>	<u>576,527</u>	<u>13,292</u>	<u>7,651</u>	<u>-</u>	<u>597,470</u>
Cash Disbursements					
Current:					
Library Services:					
Public Services and Programs	131,846	-	-	-	131,846
Collection Development and Processing	46,013	475	-	-	46,488
Support Services:					
Facilities Operation and Maintenance	321,167	-	-	-	321,167
Capital Outlay	22,788	-	-	-	22,788
Debt Service:					
Principal Retirement	-	-	130,096	-	130,096
Interest and Fiscal Charges	-	-	3,634	-	3,634
<i>Total Cash Disbursements</i>	<u>521,814</u>	<u>475</u>	<u>133,730</u>	<u>-</u>	<u>656,019</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>54,713</u>	<u>12,817</u>	<u>(126,079)</u>	<u>-</u>	<u>(58,549)</u>
Other Financing Receipts (Disbursements)					
Sale of Capital Assets	-	-	100,000	-	100,000
Transfers In	103,568	-	-	-	103,568
Transfers Out	-	-	(103,568)	-	(103,568)
Other Financing Uses	-	-	(400)	-	(400)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>103,568</u>	<u>-</u>	<u>(3,968)</u>	<u>-</u>	<u>99,600</u>
<i>Net Change in Fund Cash Balances</i>	<u>158,281</u>	<u>12,817</u>	<u>(130,047)</u>	<u>-</u>	<u>41,051</u>
<i>Fund Cash Balances, January 1 (Restated)</i>	<u>307,719</u>	<u>42,823</u>	<u>130,047</u>	<u>9,755</u>	<u>490,344</u>
Fund Cash Balances, December 31					
Nonspendable	-	-	-	7,577	7,577
Restricted	-	55,640	-	2,178	57,818
Unassigned (Deficit)	466,000	-	-	-	466,000
<i>Fund Cash Balances, December 31</i>	<u>\$ 466,000</u>	<u>\$ 55,640</u>	<u>\$ -</u>	<u>\$ 9,755</u>	<u>\$ 531,395</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, 2010**

	<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	\$ 486,106	\$ -	\$ -	\$ -	\$ 486,106
Patron Fines and Fees	11,767	-	-	-	11,767
Contributions, Gifts and Donations	25,186	12,752	62,725	-	100,663
Earnings on Investments	5,432	-	-	-	5,432
Miscellaneous	9,853	-	-	-	9,853
	<u>538,344</u>	<u>12,752</u>	<u>62,725</u>	<u>-</u>	<u>613,821</u>
Cash Disbursements:					
Current:					
Salaries and Benefits	295,935	-	-	-	295,935
Purchased and Contractual Services	122,535	-	-	-	122,535
Library Materials and Information	35,265	2,110	-	-	37,375
Supplies	19,032	-	-	-	19,032
Other	4,066	-	-	-	4,066
Capital Outlay	7,147	-	1,417	-	8,564
Debt Service:					
Redemption of Principal	-	-	62,545	-	62,545
Interest and Other Fiscal Charges	-	-	8,359	-	8,359
	<u>483,980</u>	<u>2,110</u>	<u>72,321</u>	<u>-</u>	<u>558,411</u>
Total Receipts Over/(Under) Disbursements	54,364	10,642	(9,596)	-	55,410
Other Financing Receipts / (Disbursements):					
Transfers-In	264,389	-	-	-	264,389
Transfers-Out	-	-	(264,389)	-	(264,389)
	<u>264,389</u>	<u>-</u>	<u>(264,389)</u>	<u>-</u>	<u>-</u>
Excess of Cash Receipts and Other Financing Receipts (Under) Cash Disbursements and Other Financing Disbursements	318,753	10,642	(273,985)	-	55,410
Fund Cash Balances, January 1	(104,536)	125,683	404,032	9,755	434,934
Fund Cash Balances, December 31	<u>\$ 214,217</u>	<u>\$ 136,325</u>	<u>\$ 130,047</u>	<u>\$ 9,755</u>	<u>\$ 490,344</u>
Reserve for Encumbrances, December 31	<u>\$ 6,815</u>	<u>\$ 584</u>	<u>\$ 440</u>	<u>\$ -</u>	<u>\$ 7,839</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, 2011 AND 2010**

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:

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Ursula Mills Fund – This fund receives monies from the last will and testament of Ursula Mills and the income from the trust is to be used to purchase books, magazines, and periodicals.

Alpha & Inez Philbin Fund – This fund receives monies from the last will and testament of Alpha and Inez Philbin. The income is to be used on a discretionary basis by the Library and any principal distribution requests are to provide assistance towards capital improvement needs of the Library.

3. Capital Project Funds

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or 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 2011 and 2010 budgetary activity appears in Note 4.

F. Fund Balance

For December 31, 2011, fund balance is divided into five classifications based primarily on the extent to which the Library must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Nonspendable

The Library classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

F. Fund Balance (Continued)

2. Restricted

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

3. Committed

Trustees can *commit* amounts via formal action (resolution). The Library must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Board of Trustees or a Library official delegated that authority by resolution, or by State Statute.

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Library applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

G. 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.

H. 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, 2011 AND 2010
(Continued)**

2. Change in Accounting Principle and Restatement of Fund Balance

For fiscal year 2011, the Library reclassified certain funds as required by the revised fund classification guidance in Governmental Accounting Standard Board (GASB) Statement No. 54. Implementing GASB Statement No. 54 had the following effect on fund balances previously reported:

	Fund Balance at December 31, 2010	GASB 54 Change in Fund Structure	Adjusted Fund Balance at December 31, 2010
General	\$214,217	\$93,502	\$307,719
Special Revenue	136,325	(93,502)	42,823

3. 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:

	2011	2010
Deposits	\$57,074	\$76,440
Certificates of deposit	7,577	7,577
Money Market	411,363	350,971
Petty Cash	100	100
Total deposits and petty cash	<u>476,114</u>	<u>435,088</u>
STAR Ohio	45,190	45,165
Donated Common stock	10,091	10,091
Total investments	<u>55,281</u>	<u>55,256</u>
Total deposits and investments	<u><u>\$531,395</u></u>	<u><u>\$490,344</u></u>

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 institutions trust department in the Library's name.

4. Budgetary Activity

Budgetary activity for the years ending December 31, 2011 and 2010 follows:

2011 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$555,566	\$680,095	\$124,529
Special Revenue	0	13,292	13,292
Capital Projects	135,000	107,651	(27,350)
Permanent	0	0	0
Total	<u><u>\$690,566</u></u>	<u><u>\$801,037</u></u>	<u><u>\$110,471</u></u>

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

4. Budgetary Activity (Continued)

2011 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$546,559	\$521,814	\$24,745
Special Revenue	584	475	109
Capital Projects	86,430	237,698	(151,268)
Permanent	0	0	0
Total	\$633,573	\$759,987	(\$126,414)

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$560,483	\$802,733	\$242,250
Special Revenue	0	12,752	12,752
Capital Projects	0	62,725	62,725
Permanent	0	0	0
Total	\$560,483	\$878,210	\$317,727

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$492,987	\$490,795	\$2,192
Special Revenue	0	2,694	(2,694)
Capital Projects	60,841	337,150	(276,309)
Permanent	0	0	0
Total	\$553,828	\$830,639	(\$276,811)

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority by \$151,268 in the Building Fund for the year ended December 31, 2011. Also contrary to Ohio law, at December 31, 2010, budgetary expenditures exceeded appropriation authority by \$2,694 in the Ursula Mills Special Revenue Fund and by \$276,309 in the Building Fund.

5. Grants-in-aid

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.

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

6. Debt

In 2009, the Library obtained an \$800,000 commercial line of credit from Farmers Citizens Bank which carried an interest rate of 5.15%. In 2009, 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 2010, the Library made \$62,545 in principal payments and \$8,359 in interest payments. During 2011, the Library made \$130,096 in principal payments and \$3,634 in interest payments to pay off the line of credit.

7. Interfund Transfers

In prior years, transfers were made from the General Fund to the Building Fund for the purpose of constructing a new addition to, and making certain capital improvements to the Library. In 2011 and 2010, transfers were made from the Building Fund back to the General Fund in the amounts of \$103,568 and \$264,389, respectively, to return unused monies upon completion of the building project.

8. 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 2011 and 2010, 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, 2011.

9. Risk Management

Commercial Insurance

The Library has obtained commercial insurance for the following risks:

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



Dave Yost • 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, 2011 and December 31, 2010, and have issued our report thereon dated August 22, 2012, 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 also noted during 2011 the Library adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. 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.

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 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 2011-001.

We also noted certain matters not requiring inclusion in this report that we reported to the Library's management in a separate letter dated August 22, 2012.

The Library's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Library's response and, accordingly, we express no opinion on it.

We intend this report solely for the information and use of management, the Board of Trustees, and others within the Library. 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

August 22, 2012

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2011 AND 2010**

1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2011-001

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, 2011, expenditures exceeded appropriations in the following funds:

Fund	Appropriation Authority	Budgetary Expenditures	Variance
Building Fund	\$86,430	\$237,698	(\$151,268)

At December 31, 2010, expenditures exceeded appropriations in the following funds:

Fund	Appropriation Authority	Budgetary Expenditures	Variance
Building Fund	\$60,841	\$337,150	(\$276,309)
Ursula Mills Fund	0	2,694	(2,694)

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 recognize this finding and we note that there was improvement since our 2008-2009 audit. It is our intent to continue our work on this issue and completely resolve it in anticipation of all future audits.

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2011 AND 2010**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2009-001	Financial Reporting – Material Weakness	No	Partially Corrected – Comment has been repeated in the current audit Management Letter.
2009-002	Expenditures Exceed Appropriations	No	Not corrected – Comment has been repeated in the current audit as finding 2011-001



Dave Yost • 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
SEPTEMBER 25, 2012**