



**Auditor of State  
Betty Montgomery**



**BEXLEY PUBLIC LIBRARY  
FRANKLIN COUNTY**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Bexley Public Library  
Franklin County  
2411 East 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, 2002, and December 31, 2001. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Library prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserve for encumbrances of the Library as of December 31, 2002, and December 31, 2001, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 3, 2003, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

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This report is intended solely for the information and use of the management, the Board of Trustees, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

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

**BETTY MONTGOMERY**  
Auditor of State

July 3, 2003

**BEXLEY PUBLIC LIBRARY  
FRANKLIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>			
Library and Local Government Support	\$1,804,934	\$0	\$1,804,934
Patron Fines and Fees	79,806	0	79,806
Earnings on Investments	11,738	22,826	34,564
Contributions, Gifts and Donations	17,216	0	17,216
Miscellaneous Receipts	59,765	0	59,765
	<u>1,973,459</u>	<u>22,826</u>	<u>1,996,285</u>
<b>Cash Disbursements:</b>			
Current:			
Salaries and Benefits	1,489,084	0	1,489,084
Purchased and Contracted Services	174,206	0	174,206
Library Materials and Information	333,667	0	333,667
Supplies	47,802	0	47,802
Other	6,348	0	6,348
Capital Outlay	40,426	0	40,426
	<u>2,091,533</u>	<u>0</u>	<u>2,091,533</u>
Total Cash Receipts Over/(Under) Cash Disbursements	(118,074)	22,826	(95,248)
Fund Cash Balances, January 1	417,887	1,066,130	1,484,017
<b>Fund Cash Balances, December 31</b>	<b><u>\$299,813</u></b>	<b><u>\$1,088,956</u></b>	<b><u>\$1,388,769</u></b>
Reserves for Encumbrances, December 31	<u>\$106,576</u>	<u>\$0</u>	<u>\$106,576</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 PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Nonexpendable Trust	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$527	\$0	\$527
Contributions, Gifts and Donations	0	2,000	2,000
Earnings on Investments	0	862	862
	<hr/>	<hr/>	<hr/>
Total Operating Cash Receipts	527	2,862	3,389
	<hr/>	<hr/>	<hr/>
<b>Operating Cash Disbursements:</b>			
Current:			
Supplies	356	0	356
Library Materials and Information	0	1,237	1,237
	<hr/>	<hr/>	<hr/>
Total Operating Cash Disbursements	356	1,237	1,593
	<hr/>	<hr/>	<hr/>
Operating Income	171	1,625	1,796
Fund Cash Balances, January 1	451	47,997	48,448
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b><u>\$622</u></b>	<b><u>\$49,622</u></b>	<b><u>\$50,244</u></b>

*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 BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>			
Library and Local Government Support	\$2,045,158	\$0	\$2,045,158
Patron Fines and Fees	78,888	0	78,888
Earnings on Investments	16,961	53,985	70,946
Contributions, Gifts and Donations	13,179	0	13,179
Miscellaneous Receipts	3,949	0	3,949
	<u>2,158,135</u>	<u>53,985</u>	<u>2,212,120</u>
<b>Cash Disbursements:</b>			
Current:			
Salaries and Benefits	1,392,238	0	1,392,238
Purchased and Contracted Services	187,932	0	187,932
Library Materials and Information	494,501	0	494,501
Supplies	49,289	0	49,289
Other	6,590	0	6,590
Capital Outlay	31,535	41,395	72,930
	<u>2,162,085</u>	<u>41,395</u>	<u>2,203,480</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(3,950)</u>	<u>12,590</u>	<u>8,640</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Proceeds from Sales of Property	1	0	1
	<u>1</u>	<u>0</u>	<u>1</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(3,949)	12,590	8,641
Fund Cash Balances, January 1	<u>421,836</u>	<u>1,053,540</u>	<u>1,475,376</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$417,887</u></b>	<b><u>\$1,066,130</u></b>	<b><u>\$1,484,017</u></b>
Reserves for Encumbrances, December 31	<u>\$160,177</u>	<u>\$0</u>	<u>\$160,177</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 PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Nonexpendable Trust</u>	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$655	\$0	\$655
Contributions, Gifts and Donations	0	1,620	1,620
Earnings on Investments	0	1,891	1,891
	<hr/>	<hr/>	<hr/>
Total Operating Cash Receipts	655	3,511	4,166
<b>Operating Cash Disbursements:</b>			
Current:			
Supplies	423		423
Library Materials and Information	325	1,386	1,711
	<hr/>	<hr/>	<hr/>
Total Operating Cash Disbursements	748	1,386	2,134
Operating Income/(Loss)	(93)	2,125	2,032
Fund Cash Balances, January 1	544	45,872	46,416
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b>\$451</b>	<b>\$47,997</b>	<b>\$48,448</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Reserves for Encumbrances, December 31	\$55	\$0	\$55
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

*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, 2002 AND 2001**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Bexley Public Library, Franklin County, Ohio (the Library) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of Ohio. The Library is directed by a seven-member Board of Trustees appointed by the Bexley City School District Board of Education. 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.

The Friends of Bexley Public Library Inc., a legally separate entity, is a not-for-profit organization that was established to support the Library. The financial activity of the Foundation is not included in the financial statements of the Library.

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized 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 prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Certificates of deposit are valued at cost. Money market mutual funds (including STAR Ohio) are recorded at share values reported by the mutual fund.

**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 is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**BEXLEY PUBLIC LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**2. Capital Projects Fund**

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Library had the following capital project fund:

Building and Repair Fund: Monies will be used to purchase land for improving and expanding the existing building

**3. Enterprise Fund**

This fund is used to account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges. The Library had the following enterprise fund:

Vending Machine Fund: Monies are collected as receipts from vending machine; purchases made to replenish vending machine.

**4. Fiduciary Funds (Trust Funds)**

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Library to maintain the corpus of the trust, the fund is classified as a non-expendable trust fund. The Library had the following significant non-expendable trust funds:

Brad Alan Sokolov Endowment Fund: This non-expendable trust 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 non-expendable trust 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.

**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 2002 and 2001 budgetary activity appears in Note 3.

**BEXLEY PUBLIC LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**G. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the basis of accounting the Library uses.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	2002	2001
Demand deposits	\$197,404	\$19,235
Certificates of deposit	373,123	610,175
Total deposits	570,527	629,410
STAR Ohio	868,486	903,055
Total investments	868,486	903,055
Total deposits and investments	\$1,439,013	\$1,532,465

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) 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.

**BEXLEY PUBLIC LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2002 and December 31, 2001 follows:

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,299,622	\$2,198,109	\$101,513
Capital Projects	1,113,630	0	1,113,630
Enterprise	1,896	356	1,540
Fiduciary	51,558	1,237	50,321
Total	\$3,466,706	\$2,199,702	\$1,267,004

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,457,316	\$2,322,262	\$135,054
Capital Projects	1,113,541	41,395	1,072,146
Enterprise	2,044	803	1,241
Fiduciary	49,200	1,386	47,814
Total	\$3,622,101	\$2,365,846	\$1,256,255

**4. GRANTS-IN-AID**

The primary source of revenue for Ohio public libraries is the State Library and Local Government Support Fund (LLGSF). The LLGSF is allocated 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 of any additional revenues the Library receives.

**5. RETIREMENT SYSTEM**

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

Contribution rates are prescribed by the Ohio Revised Code. The Library's OPERS members contributed 8.5% of their gross salaries. The Library contributed an amount equal to 13.55% of participants' gross salaries for 2002 and 2001. The Library has paid all contributions required through December 31, 2002.

**BEXLEY PUBLIC LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**6. RISK MANAGEMENT**

**Commercial Insurance**

The Library has obtained commercial insurance for the following risks:

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

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
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 accompanying financial statements of the Bexley Public Library, Franklin County, Ohio, (the Library), as of and for the years ended December 31, 2002, and December 31, 2001, and have issued our report thereon dated July 3, 2003. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Library's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Library's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Library in a separate letter dated July 3, 2003.

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Bexley Public Library  
Franklin County  
Independent Accountants' Report on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
Page 2

This report is intended solely for the information and use of the management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

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

**BETTY MONTGOMERY**  
Auditor of State

July 3, 2003



**Auditor of State  
Betty Montgomery**

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**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  
AUGUST 14, 2003**