



Dave Yost • Auditor of State



**BEXLEY PUBLIC LIBRARY  
FRANKLIN COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

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

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements and related notes of Bexley Public Library, Franklin County, Ohio (the Library) as of and for the years ended December 31, 2012 and 2011.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Library's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Library's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statements, the Library prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03, which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Library as of December 31, 2012 and 2011, or changes in financial position or cash flows, where applicable, thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Bexley Public Library, Franklin County, Ohio as of December 31, 2012 and 2011, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permits, described in Note 1.

***Emphasis of Matter***

As discussed in Note 7 to the financial statements, during 2011, Bexley Public Library adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Our opinion is not modified with respect to this matter.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 9, 2013, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.



**Dave Yost**  
Auditor of State

Columbus, Ohio

July 9, 2013

**BEXLEY PUBLIC LIBRARY  
FRANKLIN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	General	Special Revenue	Capital Projects	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$ 580,563	\$ -	\$ -	\$ -	\$ 580,563
Public Library Funds	1,398,012	-	-	-	1,398,012
Intergovernmental	87,623	-	-	-	87,623
Patron Fines and Fees	60,475	-	-	-	60,475
Contributions, Gifts and Donations	52,084	253,164	20,000	1,075	326,323
Earnings on Investments	616	9	479	38	1,142
Miscellaneous	3,372	-	8,852	-	12,224
<i>Total Cash Receipts</i>	<u>2,182,745</u>	<u>253,173</u>	<u>29,331</u>	<u>1,113</u>	<u>2,466,362</u>
<b>Cash Disbursements</b>					
Current:					
Library Services:					
Public Services and Programs	876,678	12,038	-	-	888,716
Collection Development and Processing	499,480	-	-	-	499,480
Support Services:					
Facilities Operation and Maintenance	284,908	-	-	-	284,908
Information Services	83,618	-	-	-	83,618
Business Administration	271,317	-	-	-	271,317
Capital Outlay	40,365	-	265,384	-	305,749
<i>Total Cash Disbursements</i>	<u>2,056,366</u>	<u>12,038</u>	<u>265,384</u>	<u>-</u>	<u>2,333,788</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>126,379</u>	<u>241,135</u>	<u>(236,053)</u>	<u>1,113</u>	<u>132,574</u>
<b>Other Financing Receipts</b>					
Transfers In	380	-	-	-	380
<i>Total Other Financing Receipts</i>	<u>380</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>380</u>
Special Item	126	-	-	-	126
<i>Net Change in Fund Cash Balances</i>	126,885	241,135	(236,053)	1,113	133,080
<i>Fund Cash Balances, January 1</i>	<u>838,330</u>	<u>23,679</u>	<u>915,018</u>	<u>62,418</u>	<u>1,839,445</u>
<b>Fund Cash Balances, December 31</b>					
Nonspendable	-	-	-	63,493	63,493
Restricted	-	264,814	-	38	264,852
Committed	-	-	673,601	-	673,601
Assigned	35,558	-	5,364	-	40,922
Unassigned	929,657	-	-	-	929,657
<i>Fund Cash Balances, December 31</i>	<u>\$ 965,215</u>	<u>\$ 264,814</u>	<u>\$ 678,965</u>	<u>\$ 63,531</u>	<u>\$ 1,972,525</u>

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

**BEXLEY PUBLIC LIBRARY  
FRANKLIN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<b>Proprietary Fund Type</b>
	<b>Enterprise</b>
<b>Operating Cash Receipts</b>	
Sales	\$ 66
<i>Total Operating Cash Receipts</i>	66
<b>Operating Cash Disbursements</b>	
Supplies	76
<i>Total Operating Cash Disbursements</i>	76
<i>Operating Loss before transfers</i>	(10)
Transfers Out	(380)
<i>Net Change in Fund Cash Balances</i>	(390)
<i>Fund Cash Balances, January 1</i>	390
<i>Fund Cash Balances, December 31</i>	\$ -

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



**BEXLEY PUBLIC LIBRARY  
FRANKLIN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	General	Special Revenue	Capital Projects	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$ 580,522	\$ -	\$ -	\$ -	\$ 580,522
Public Library Funds	1,481,936	-	-	-	1,481,936
Intergovernmental	86,340	-	-	-	86,340
Patron Fines and Fees	58,728	-	-	-	58,728
Contributions, Gifts and Donations	54,493	11,555	-	1,100	67,148
Earnings on Investments	878	19	1,060	69	2,026
Miscellaneous	8,765	-	-	-	8,765
<i>Total Cash Receipts</i>	<u>2,271,662</u>	<u>11,574</u>	<u>1,060</u>	<u>1,169</u>	<u>2,285,465</u>
<b>Cash Disbursements</b>					
Current:					
Salaries	1,073,582	-	-	-	1,073,582
Employee Fringe Benefits	305,353	-	-	-	305,353
Purchased and Contracted Services	254,328	1,800	13,186	-	269,314
Library Materials and Information	298,954	293	-	568	299,815
Supplies	45,695	424	-	-	46,119
Other	6,045	-	-	-	6,045
Capital Outlay	35,224	-	72,795	-	108,019
<i>Total Cash Disbursements</i>	<u>2,019,181</u>	<u>2,517</u>	<u>85,981</u>	<u>568</u>	<u>2,108,247</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>252,481</u>	<u>9,057</u>	<u>(84,921)</u>	<u>601</u>	<u>177,218</u>
<b>Other Financing Receipts (Disbursements)</b>					
Sale of Capital Assets	-	-	132,000	-	132,000
Transfers In	75,000	-	-	-	75,000
Transfers Out	-	-	(75,000)	-	(75,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>75,000</u>	<u>-</u>	<u>57,000</u>	<u>-</u>	<u>132,000</u>
Special Item	1,530	-	185	-	1,715
<i>Net Change in Fund Cash Balances</i>	329,011	9,057	(27,736)	601	310,933
<i>Fund Cash Balances, January 1</i>	<u>509,319</u>	<u>14,622</u>	<u>942,754</u>	<u>61,817</u>	<u>1,528,512</u>
<b>Fund Cash Balances, December 31</b>					
Nonspendable	-	-	-	62,418	62,418
Restricted	-	23,679	-	-	23,679
Committed	-	-	870,599	-	870,599
Assigned	28,026	-	44,419	-	72,445
Unassigned	810,304	-	-	-	810,304
<i>Fund Cash Balances, December 31</i>	<u>\$ 838,330</u>	<u>\$ 23,679</u>	<u>\$ 915,018</u>	<u>\$ 62,418</u>	<u>\$ 1,839,445</u>

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

**BEXLEY PUBLIC LIBRARY  
FRANKLIN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<b>Proprietary Fund Type</b>
	<b>Enterprise</b>
<b>Operating Cash Receipts</b>	
Sales	\$ 28
<i>Total Operating Cash Receipts</i>	28
<b>Operating Cash Disbursements</b>	
Supplies	222
<i>Total Operating Cash Disbursements</i>	222
<i>Operating Loss</i>	(194)
<i>Fund Cash Balances, January 1</i>	584
<i>Fund Cash Balances, December 31</i>	\$ 390

*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, 2012 AND 2011**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The Bexley Public Library, Franklin County, (the Library) is body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of Ohio. The Library has its own Board of Trustees of seven members who are appointed by the Board of Education of Bexley City School District. Appointments are for seven-year terms and members serve without compensation. Under Ohio statutes, the Library is a body politic and corporate capable of suing and being sued, contracting, acquiring, holding, possessing, and disposing of real property, and of exercising such other powers and privileges conferred upon it by law. The Library also determines and operates under its own budget. Control and management of the Library is governed by sections 3375.33 to 3375.39 of the Ohio Revised Code with the administration of the day-to-day operations of the Library being the responsibility of the Director and financial accountability being solely that of the Fiscal Officer-Treasurer.

The Library is fiscally independent of the Board of Education, although the Board of Education serves in a ministerial capacity as the taxing authority for the Library. The determination to request approval of a tax levy, the role and purpose of the levy, are discretionary decisions made solely by the Board of Library Trustees. Once those decisions are made, the Board of Education must put the levy on the ballot. There is no potential for the Library to provide a financial benefit to or impose a financial burden on the Board of Education.

The Friends of the Bexley Public Library, Inc. is a legally separate, not-for-profit organization with a self-appointing board. The Library is not financially accountable for the organization, nor does the Library approve the budget or the issuance of debt of the organization. The Library does not have access to the resources provided by the organization. Therefore, this organization has been excluded from the reporting entity of the Library.

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 certificate of deposits at cost. Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

**BEXLEY PUBLIC LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**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 and reports all financial resources not accounted for and reported in another fund.

**2. Special Revenue Funds**

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. 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.

*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.

*Friends of Bexley Library* – This Special Revenue Fund receives gifts and donations from the Friends and expends the resources for Library goods and services at the discretion of the Friends and the Library Director.

*Marilyn K. Limbard Fund* – This Special Revenue Fund was established to account for the proceeds of the Limbard Estate and expends the resources at the discretion of the Board.

**3. Capital Project Funds**

These funds account for and report financial resources that are committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Library had the following significant Capital Project 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 and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the Library or its citizenry). 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.

**BEXLEY PUBLIC LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**D. Fund Accounting (Continued)**

**4. Permanent Funds (Continued)**

*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 significant 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. While not required by OAC 117-8, the Board elects to annually budget for receipts.

A summary of 2012 and 2011 budgetary activity appears in Note 3.

**F. Fund Balance**

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.

**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.

**BEXLEY PUBLIC LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**F. Fund Balance (Continued)**

**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 Library 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.

**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:

**BEXLEY PUBLIC LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011  
(Continued)**

**2. Equity in Pooled Deposits and Investments (Continued)**

	2012	2011
Demand deposits	\$548,760	\$881,848
Certificates of deposit	0	353,223
Total deposits	548,760	1,235,071
STAR Ohio	1,423,764	604,764
Total investments	1,423,764	604,764
Total deposits and investments	\$1,972,524	\$1,839,835

**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. The Library has established a Bexley Public Library Endowment fund with the Columbus Foundation, which serves as a custodian bank, to be used for the purposes of acquisition of materials and equipment, staff training and development, and facilities improvements. At December 31, 2012, the custodian held \$15,994 in Library assets. The accompanying financial statements do not include these assets or the related receipts and disbursements.

**3. Budgetary Activity**

Budgetary activity for the years ending 2012 and 2011 follows:

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,188,604	\$2,183,251	(\$5,353)
Special Revenue	253,172	253,173	1
Capital Projects	29,246	29,331	85
Permanent	1,104	1,113	9
Enterprise Fund	66	66	0
Total	\$2,472,192	\$2,466,934	(\$5,258)

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,218,163	\$2,091,924	\$126,239
Special Revenue	13,270	12,038	1,232
Capital Projects	316,675	270,748	45,927
Permanent	0	0	0
Enterprise Fund	457	76	381
Total	\$2,548,565	\$2,374,786	\$173,779

**BEXLEY PUBLIC LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011  
(Continued)**

**3. Budgetary Activity (Continued)**

2011 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,346,751	\$2,348,192	\$1,441
Special Revenue	11,573	11,574	1
Capital Projects	133,035	133,245	210
Permanent	1,168	1,169	1
Enterprise Fund	100	28	(72)
Total	\$2,492,627	\$2,494,208	\$1,581

2011 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,146,821	\$2,047,207	\$99,614
Special Revenue	6,650	2,517	4,133
Capital Projects	313,108	205,400	107,708
Permanent	1,200	568	632
Enterprise	350	222	128
Total	\$2,468,129	\$2,255,914	\$212,215

**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 Other Governments' Grants In Aid. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due January 20. 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.



**BEXLEY PUBLIC LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011  
(Continued)**

**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 2012 and 2011, 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, 2012.

**6. Risk Management**

**Commercial Insurance**

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Errors & Omissions
- Vehicle Liability
- Director and Officer Liability
- Employment Practices Liability
- Crime

**7. Change in Accounting Principle**

The Library has implemented Government Accounting Standards Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." The implementation of this statement did not result in any adjustment to the Library's financial statements.

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S 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 in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Bexley Public Library, Franklin County, Ohio (the Library) as of and for the years ended December 31, 2012 and December 31, 2011, and the related notes to the financial statements and have issued our report thereon dated July 9, 2013, wherein we noted the Government followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permits. We also noted in 2011, the Library adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Library's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Library's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Library's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

**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, opining 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*.

**Purpose of this Report**

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Library's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Library's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Columbus, Ohio

July 9, 2013



# Dave Yost • 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  
AUGUST 20, 2013**