



Mary Taylor, CPA
Auditor of State

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

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Mary Taylor, CPA
Auditor of State

Bucyrus Public Library
Crawford County
200 East 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 Library to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor

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Auditor of State

August 14, 2008

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Mary Taylor, CPA

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, 2007 and 2006. 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, 2007 and 2006, 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, 2007 and 2006, 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 and reserves for encumbrances of the Bucyrus Public Library, Crawford County, Ohio, as of December 31, 2007 and 2006, 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 August 14, 2008, on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

August 14, 2008

**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, 2007**

	<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	\$ 639,806	\$ -	\$ -	\$ -	\$ 639,806
Patron Fines and Fees	8,650	-	-	-	8,650
Contributions, Gifts and Donations	22,709	269,289	21,750	-	313,748
Earnings on Investments	30,502	73,832	39,739	439	144,512
Miscellaneous	8,800	-	-	-	8,800
	<u>710,467</u>	<u>343,121</u>	<u>61,489</u>	<u>439</u>	<u>1,115,516</u>
Total Cash Receipts					
Cash Disbursements:					
Current:					
Salaries and Benefits	355,756	-	-	-	355,756
Purchased and Contractual Services	124,830	-	-	-	124,830
Library Materials and Information	89,135	-	-	3,430	92,565
Supplies	26,965	-	-	-	26,965
Other	3,556	-	-	-	3,556
Capital Outlay	21,449	23,714	251,622	-	296,785
	<u>621,691</u>	<u>23,714</u>	<u>251,622</u>	<u>3,430</u>	<u>900,457</u>
Total Cash Disbursements					
Total Receipts Over/(Under) Disbursements	88,776	319,407	(190,133)	(2,991)	215,059
Fund Cash Balances, January 1	297,571	1,547,084	1,350,241	12,746	3,207,642
Fund Cash Balances, December 31	<u>\$ 386,347</u>	<u>\$ 1,866,491</u>	<u>\$ 1,160,108</u>	<u>\$ 9,755</u>	<u>\$ 3,422,701</u>
Reserve for Encumbrances, December 31	<u>6,844</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,844</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, 2006**

	<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	\$ 639,806	\$ -	\$ -	\$ -	\$ 639,806
Patron Fines and Fees	9,186	-	-	-	9,186
Contributions, Gifts and Donations	31,319	14,772	-	100	46,191
Earnings on Investments	27,239	60,720	43,734	498	132,191
Miscellaneous	8,005	-	-	-	8,005
	<u>715,555</u>	<u>75,492</u>	<u>43,734</u>	<u>598</u>	<u>835,379</u>
Total Cash Receipts					
Cash Disbursements:					
Current:					
Salaries and Benefits	374,584	-	-	-	374,584
Purchased and Contractual Services	116,603	-	-	-	116,603
Library Materials and Information	76,234	-	-	3,899	80,133
Supplies	29,822	-	-	-	29,822
Other	8,781	-	-	-	8,781
Capital Outlay	14,414	350,000	236,741	-	601,155
	<u>620,438</u>	<u>350,000</u>	<u>236,741</u>	<u>3,899</u>	<u>1,211,078</u>
Total Cash Disbursements					
Total Receipts Over/(Under) Disbursements	95,117	(274,508)	(193,007)	(3,301)	(375,699)
Fund Cash Balances, January 1 (Restated - See Note 2)	202,454	1,821,592	1,543,248	16,047	3,583,341
Fund Cash Balances, December 31	<u>\$ 297,571</u>	<u>\$ 1,547,084</u>	<u>\$ 1,350,241</u>	<u>\$ 12,746</u>	<u>\$ 3,207,642</u>
Reserve for Encumbrances, December 31	<u>14,131</u>	<u>-</u>	<u>78,662</u>	<u>230</u>	<u>93,023</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, 2007 AND 2006**

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. Cash and Investments

The Library's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Library values certificates of deposit at cost. 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:

Timken Grant Fund – This fund receives grant money from the Timken Foundation for the enhancement of the Library.

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Aileen Philbin Trust Fund – This fund received monies from the last will and testament of Aileen Philbin from which income is to be used for the current operating expenses of the Library while principal is to be used for capital improvements.

3. Capital Project Funds

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through 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. The Library had the following significant permanent fund:

Eleanor Lamb Trust Fund – This fund receives money from interest earned on the Eleanor Lamb Trust. The revenue earned is used for the purchase of books for the Library.

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 2007 and 2006 budgetary activity appears in Note 4.

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.

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

2. Restatement of Fund Balance

Fund Balances at December 31, 2005 have been restated to reflect the Expendable Trust Fund balance as a Special Revenue Fund and to reflect the Non-Expendable Trust Fund balance as a Permanent Fund at January 1, 2006. These restatements have had the following effect on the fund balances as previously reported at December 31, 2005:

<u>Fund Type</u>	<u>Balance at December 31, 2005</u>	<u>Restatement Amount</u>	<u>Balance at January 1, 2006</u>
Special Revenue	-	1,821,592	1,821,592
Expendable Trust	1,821,592	(1,821,592)	-
Nonexpendable Trust	16,047	(16,047)	-
Permanent Fund	-	16,047	16,047

3. Equity in Pooled Cash and Investments

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

	<u>2007</u>	<u>2006</u>
Deposits	(\$1,200)	\$21,835
Certificates of deposit	\$1,432,577	\$1,432,577
Money market	\$372,111	\$213,279
Petty cash	100	100
Total deposits and petty cash	<u>1,803,588</u>	<u>1,667,791</u>
STAR Ohio	1,614,155	1,534,893
Common stock	4,958	4,958
Total investments	<u>1,619,113</u>	<u>1,539,851</u>
Total deposits and investments	<u><u>\$3,422,701</u></u>	<u><u>\$3,207,642</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 institution's trust department in the Library's name.

4. Budgetary Activity

Budgetary activity for the years ending December 31, 2007, and December 31, 2006, follows:

<u>2007 Budgeted vs. Actual Receipts</u>			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$713,049	\$710,467	(\$2,582)
Special Revenue	100,010	343,121	243,111
Capital Projects	71,000	61,489	(9,511)
Permanent	690	439	(251)
Total	<u>\$884,749</u>	<u>\$1,115,516</u>	<u>\$230,767</u>

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

4. Budgetary Activity (Continued)

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$726,939	\$628,535	\$98,404
Special Revenue	1,530,557	23,714	1,506,843
Capital Projects	1,504,662	251,622	1,253,040
Permanent	15,355	3,430	11,925
Total	\$3,777,513	\$907,301	\$2,870,212

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$673,405	\$715,555	\$42,150
Special Revenue	56,195	75,492	\$19,297
Capital Projects	34,000	43,734	9,734
Permanent	450	598	148
Total	\$764,050	\$835,379	\$71,329

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$695,016	\$634,569	\$60,447
Special Revenue	1,691,522	350,000	1,341,522
Capital Projects	1,569,000	315,403	1,253,597
Permanent	14,625	4,129	10,496
Total	\$3,970,163	\$1,304,101	\$2,666,062

5. Grants-In-Aid

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

6. 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 2007 and 2006, OPERS members contributed 9.5% and 9%, respectively, of their gross salaries and the Library contributed an amount equaling 13.85% and 13.7%, respectively, of participants' gross salaries. The Library has paid all contributions required through December 31, 2007.

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

7. 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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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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, 2007, and December 31, 2006, and have issued our report thereon dated August 14, 2008, wherein we noted the Library followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Library's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Library's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Library's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

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

We consider the following deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting: 2007-001 and 2007-002.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, of the significant deficiencies described above, we believe finding number 2007-002 is also a material weakness.

We also noted a certain internal control matter that we reported to the Library's management in a separate letter dated August 14, 2008.

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 that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2007-003.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the Library's management in a separate letter dated August 14, 2008.

We intend this report solely for the information and use of the audit committee, management, and Library Board of Trustees. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

August 14, 2008

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number	2007-001
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Significant Deficiency

Payroll Clearing Account

The Library maintains a payroll clearing account which should maintain a \$0 reconciled balance at all times. Funds should only be deposited or transferred into this account to cover payroll checks written against the account.

During the 2006 and 2007, the Library carried a reconciled closing balance in the payroll clearing account. At the end of 2006, the reconciled balance was \$8,108.17 while at the end of 2007, the reconciled balance was \$3,444.22

Failure to maintain a \$0 reconciled balance in the Library's payroll clearing account, limits the ability of management to ensure accuracy and accountability within the payroll account and increases the likelihood that errors or omissions will go undetected. Further, this increases the potential of the Library's financial statements being materially misstated.

We recommend the Library implement procedures to ensure the payroll clearing account is properly reconciled to \$0 on a monthly basis. Unreconciled balances should be investigated at the time of the reconciliation and resolved in a timely manner.

Finding Number	2007-002
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Significant Deficiency / Material Weakness

Financial Reporting

Sound financial reporting is the responsibility of the Clerk/Treasurer, Director, and the Board of Trustees and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The following audit adjustments were made to the December 31, 2007 financial statements and the Library's accounting records:

1. An adjustment was made in the amount of \$16,500 to remove contributions related to the new building project from the General Fund and to properly post the receipt in the Building Fund.
2. Adjustments were made in the General Fund, Ursula Mills Trust Fund, Schultz Philbin Fund, Metzger Trust Fund, Traub Trust Fund, Huggins Endowment Fund, Leonard Reiff Fund, Alpha & Inez Philbin, Gladys Grove Trust, and Aileen Philbin Trust Fund, to correct prior year audit adjustments that were run through 2007 activity, as opposed to being made to the beginning 2006 fund balance.
3. Adjustments were made in the Alpha & Inez Philbin Trust, Building Fund, Gladys Grove Trust Fund, Community Foundation Fund, and Aileen Philbin Trust Fund, to properly record contributions in the Alpha & Inez Philbin Trust Fund as contributions and donations, rather than as interest receipts.

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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Finding Number	2007-002 (Continued)
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Significant Deficiency / Material Weakness (Continued)

Financial Reporting (Continued)

4. Adjustments were made to properly reflect funds formerly classified as Expendable Trust Funds as Special Revenue Funds and funds formerly classified as Non-Expendable Trust Funds as Permanent Funds.

The following audit adjustments were made to the December 31, 2006 financial statements and the Library's accounting records:

1. Adjustments were made in the General Fund, Building Fund, Ursula Mills Trust Fund, Schultz Philbin Fund, Metzger Trust Fund, Traub Trust Fund, Huggins Endowment Fund, Leonard Reiff Fund, Alpha & Inez Philbin, Gladys Grove Trust, and Aileen Philbin Trust Fund, to correct prior year audit adjustments that were run through 2007 activity, as opposed to being made to the beginning 2006 fund balance.
2. An adjustment of \$10,221 was made to properly record quarterly contributions related to the Alpha & Inez Philbin Trust into that fund, rather than into the Aileen Philbin Trust Fund.
3. An adjustment of \$3,407 was made to properly record the first quarter contribution related to the Alpha & Inez Philbin Trust into that fund, rather than into the General Fund.
4. An adjustment of \$5,240 was made to record a January 2006 STAR Ohio interest receipt that was not recorded.
5. Adjustments were made to properly reflect funds formerly classified as Expendable Trust Funds as Special Revenue Funds and funds formerly classified as Non-Expendable Trust Funds as Permanent Funds.

The adjustments and reclassifications identified above should be reviewed by the Clerk/Treasurer, Director, and Board of Trustees to ensure that similar errors are not reported on financial statements in subsequent years. In addition, the Library should develop procedures for the periodic review of the activity posted to the accounting records, as well as, for the review of the financial statement information to ensure it accurately reflects the Library's activity.

Finding Number	2007-003
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Noncompliance Citation

Receipt Posting

The trust agreement for the Alpha & Inez Trust states, in part, the Trust shall continue to be held and managed for the benefit of the First United Methodist Church, the Bucyrus Public Library, and the City of Bucyrus. The Trustee shall collect the income from the property comprising the trust estate and shall remit one-third of the net income to each of the beneficiaries in quarterly or other installments. In addition, the Trustee may in its sole discretion distribute such amounts from the corpus of the trust estate as it may deem necessary or advisable to assist with the capital improvement needs of the beneficiaries.

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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Finding Number	2007-003 (Continued)
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Noncompliance Citation (Continued)

Receipt Posting (Continued)

The trust agreement further states it is the intention that the income and any discretionary corpus payments shall be used by the Bucyrus Public Library or its successors in such manner as may be determined by its board of trustees except that corpus distributions shall be used only for capital improvements.

During 2006, the Library posted \$10,221 of quarterly contributions related to the Alpha & Inez Philbin Trust into the Aileen Philbin Trust Fund. Additionally, during 2006, the Library posted \$3,407 for the first quarter contribution of the Alpha & Inez Philbin Trust to the General Fund.

The Library's financial statements and accounting records have been adjusted to properly reflect the amounts above in the appropriate funds.

We recommend the Library monitor receipt postings to ensure all future receipts are posted to the proper funds.

We did not receive a response from Officials to the findings reported above.

**BUCYRUS PUBLIC LIBRARY
CRAWFORD COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2007 AND 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2005-001	Monthly Bank Reconciliations: The Library did not perform monthly bank reconciliations.	No	Partially Corrected – Similar comment will be repeated as finding 2007-001.
2005-002	FFA – Allocation of Interest: The Library was allocating interest to funds that were not approved to receive interest via Board Resolution.	Yes	
2005-003	FFR – Patron Fines: The Library did not perform a daily reconciliation of fine monies received, which resulted in monies received that were unaccounted for.	Yes	
2005-004	Timely Depositing: The Library was not making daily deposits of monies received.	Yes	
2005-005	Inter-Fund Transfers: The Board approved inter-fund transfers that were not posted to the Library's ledgers.	Yes	



Mary Taylor, CPA
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
NOVEMBER 6, 2008**