



**BEXLEY PUBLIC LIBRARY  
FRANKLIN COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2018-2017**



**BEXLEY PUBLIC LIBRARY  
FRANKLIN COUNTY**

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## INDEPENDENT AUDITOR'S REPORT

Bexley Public Library  
Franklin County  
2411 East Main Street  
Bexley, Ohio 43209

To the Board of Trustees:

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

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Bexley Public Library, Franklin County, Ohio (the Library) as of and for the years ended December 31, 2018 and 2017.

### ***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 Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; 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 such 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 opinions.

***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(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Library does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***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, 2018 and 2017, and the respective changes in financial position 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 cash balances, receipts and disbursements by fund type, and related notes of Bexley Public Library, Franklin County, Ohio, as of December 31, 2018 and 2017, 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(D) permit, described in Note 1.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2019 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.



Keith Faber  
Auditor of State

Columbus, Ohio

May 21, 2019

**BEXLEY PUBLIC LIBRARY  
FRANKLIN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	General	Special Revenue	Capital Projects	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$1,319,551				\$1,319,551
Public Library	1,509,203				1,509,203
Intergovernmental	15,232				15,232
Patron Fines and Fees	16,801				16,801
Services Provided to Other Entities	0				0
Contributions, Gifts and Donations	89,222	10,000			99,222
Earnings on Investments	46,123	313	10,685	1,311	58,432
Miscellaneous	2,814				2,814
<i>Total Cash Receipts</i>	<u>2,998,946</u>	<u>10,313</u>	<u>10,685</u>	<u>1,311</u>	<u>3,021,255</u>
<b>Cash Disbursements</b>					
Current:					
Library Services:					
Public Services and Programs	1,255,736	18,518			1,274,254
Collection Development and Processing	552,515	3,947			556,462
Support Services:					
Facilities Operation and Maintenance	330,176				330,176
Information Services	113,507				113,507
Business Administration	373,362				373,362
Capital Outlay			123,256		123,256
<i>Total Cash Disbursements</i>	<u>2,625,296</u>	<u>22,465</u>	<u>123,256</u>	<u>0</u>	<u>2,771,017</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>373,650</u>	<u>(12,152)</u>	<u>(112,571)</u>	<u>1,311</u>	<u>250,238</u>
<b>Other Financing Receipts (Disbursements)</b>					
Transfers In	1		75,000		75,001
Transfers Out	(75,000)	(1)			(75,001)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(74,999)</u>	<u>(1)</u>	<u>75,000</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	298,651	(12,153)	(37,571)	1,311	250,238
<i>Fund Cash Balances, January 1</i>	<u>1,981,336</u>	<u>47,998</u>	<u>580,613</u>	<u>67,166</u>	<u>2,677,113</u>
<b>Fund Cash Balances, December 31</b>					
Nonspendable				65,844	65,844
Restricted		35,845		2,633	38,478
Committed					
Assigned	36,916		543,042		579,958
Unassigned (Deficit)	2,243,071				2,243,071
<i>Fund Cash Balances, December 31</i>	<u>\$2,279,987</u>	<u>\$35,845</u>	<u>\$543,042</u>	<u>\$68,477</u>	<u>\$2,927,351</u>

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

**BEXLEY PUBLIC LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**Note 1 – Description of the Library and Reporting Entity**

**A. Description of the Entity**

The Bexley Public Library, Franklin County, (the Library) is body politic and corporate 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 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 provides the community with various educational and literary resources.

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.

A reporting entity is comprised of the primary government, component units and other organizations included assuring that the basic financial statements are not misleading. The primary government of the Library consists of all funds, departments, boards and agencies that are not legally separate from the library.

Component units are legally separate organizations for which the Library is financially accountable. The Library is financially accountable for an organization if the Library appoints a voting majority of the organization's governing board and (1) the Library is able to significantly influence the programs or services performed or provided by the organization; or (2) the Library is legally entitled to or can otherwise access the organization's resources; the Library is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Library is obligated for the debt of the organization. The Library is also financially accountable for any organizations for which the Library approves the budget, the issuance of debt or the levying of taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Library, are accessible to the Library and are significant in amount to the Library. The Library has no component units as described in GASB Statement 14/39.

The Friends of the Bexley Public Library, Inc. is a legally separate, not-for-profit organization with a self-appointing board. During 2018 the Friends of the Bexley Public Library contributed \$7,000 to the Library. 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 is a member of the Central Library Consortium (the CLC), a joint venture to provide reduced costs to the individual member libraries through collective efforts and resources sharing. The CLC is further discussed in Note 7.



**BEXLEY PUBLIC LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**Note 1 – Description of the Library and Reporting Entity (Continued)**

**A. Description of the Entity (Continued)**

The Library has established a Bexley Public Library Endowment Fund with The Columbus Foundation to be used for the purposes of acquisition of materials and equipment, staff training and development, and facilities improvements. At December 31, 2018, The Columbus Foundation held \$15,049 in the "Bexley Public Library Endowment Fund" for this purpose. The accompanying financial statements do not include these assets or the related receipts and disbursements.

The Library has established a "Bexley Community Author Series Fund" with the Bexley Community Foundation. This fund is to be used for the purpose of bringing prominent writers to speak in Bexley. The Bexley Community Foundation maintains these assets in a fund at the Columbus Foundation. At December 31, 2018, the Columbus Foundation held \$41,439 in the "Bexley Public Library Community Author Series Fund." Upon receipt of assets from the Columbus Foundation the Bexley Community Foundation serves as fiscal agent by maintaining a separate checking account related to the Bexley Community Author Series for the purpose of paying costs related to the Bexley Community Author Series. At December 31, 2018, this checking account had a balance of \$108. The accompanying financial statements do not include these assets or the related receipts and disbursements.

The Library's management believes these financial statements present all activities for which the Library is financially accountable.

**B. Summary of Significant Accounting Policies and Basis of Presentation**

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

The Library's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types.

**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.

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The Library measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

**BEXLEY PUBLIC LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**Note 1 – Description of the Library and Reporting Entity (Continued)**

**C. Deposits and Investments (Continued)**

For 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million.

STAR Plus enables Ohio's political subdivisions to generate a competitive yield on cash deposits in a network of carefully-selected FDIC-insured banks via a single account. STAR Plus offers attractive yields with no market or credit risk, penalty free withdrawals twice per week, and seamless integration with an existing STAR Ohio account.

Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**D. Fund Accounting**

The Library uses fund accounting to maintain its financial records during the year and to segregate cash and investments that are restricted as to use. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. 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. The General Fund balance is available to the Library for any purpose provided it is expended or transferred according to the general laws of Ohio.

**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 Samuel C. & Gale M. Shamansky 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 Samuel Shamansky and the Library Director.

*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.

**BEXLEY PUBLIC LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**Note 1 – Description of the Library and Reporting Entity (Continued)**

**D. Fund Accounting (Continued)**

**3. Capital Project Funds**

These funds account for and report financial resources that are restricted, 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 maintaining, 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.

*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.

**E. Budgetary Process**

The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

All funds are legally required to be appropriated. The appropriations resolution is the Trustee's authorization to spend resources and set limits on cash disbursements plus encumbrances at the level of control selected by the Trustees. Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, and object level of control. Budgetary modifications at the legal level of control may only be made by resolution of the Board of Library Trustees.

For control purposes, the Library estimates cash receipts for the year. These estimated receipts, together with unencumbered carry-over balances from the prior year, set a limit on the amount the Trustees may appropriate. The estimated receipts may be revised during the year if projected increases or decreases in receipts are identified by the Fiscal Officer.

**BEXLEY PUBLIC LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**Note 1 – Description of the Library and Reporting Entity (Continued)**

**E. Budgetary Process (Continued)**

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations should not exceed estimated resources.

The Library Trustees have declared that the Friends of the Library, Expendable and Non-Expendable trust funds are “deemed appropriated” without any further Board appropriation approval and that the Library Director is authorized to make expenditures from these funds for any lawful purpose which is consistent with the purpose for which the funds were established.

A summary of 2018 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.

**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.

**BEXLEY PUBLIC LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**Note 1 – Description of the Library and Reporting Entity (Continued)**

**F. Fund Balance (Continued)**

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 – Capital Assets**

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.

**Note 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, 2018 were as follows:

	<u>2018</u>
Demand Deposits	\$35,141
STAR Plus	52,188
Change Fund	550
Petty Cash	<u>100</u>
Total Deposits	<u>\$87,979</u>
STAR Ohio	2,839,372
	<u>2,839,372</u>
Total Investments	<u>2,839,372</u>
Total Deposits and Investments	<u><u>\$2,931,423</u></u>

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

Effective July 1, 2017, the Ohio Pooled Collateral System (OPCS) was implemented by the Office of the Ohio Treasurer of State. Financial institutions have the option of participating in OPCS or collateralizing utilizing the specific pledge method. Financial institutions are transitioning to OPCS, but some have been granted extensions that may carry over year end and will be collateralizing with their own collateral pool until they join OPCS. Beginning December 2017 the Library's Board of Trustees approved participating in OPCS with its financial institution.

The OPCS Program is intended to provide safeguards against fraud and afford local government entities administrative benefits, such as the ability to shift the burden of managing and processing pledged collateral to the state, while maintaining control over their relationships with depository institutions and their choice of collateral.

**BEXLEY PUBLIC LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**Note 2 - Equity in Pooled Deposits and Investments (Continued)**

**Investments:** Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**Note 3 - Budgetary Activity**

Budgetary activity for the year ended December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,993,791	\$2,998,947	\$5,156
Special Revenue	10,307	10,314	7
Capital Projects	85,330	85,685	355
Permanent	1,287	1,310	23
Total	<u>\$3,090,715</u>	<u>\$3,096,256</u>	<u>\$5,541</u>
2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,869,313	\$2,737,212	\$132,101
Special Revenue	42,601	22,466	20,135
Capital Projects	203,013	156,856	46,157
Permanent	0	0	0
Total	<u>\$3,114,927</u>	<u>\$2,916,534</u>	<u>\$198,393</u>

**Note 4 - Grants-in-aid and Tax Receipts**

***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 using the statutory allocation method. Estimated entitlement figures were issued to County Auditors. The actual current year entitlements were computed in December of the current year. The difference between the estimate and actual will be adjusted evenly in the PLF distributions made from January-June of the subsequent year.

***Property Taxes***

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 December 31. The second half payment is due the following June 20.

During November 2013 the voters of the Bexley City School District approved a 2.80 mill operating tax levy in excess of the ten mill limitation for collections beginning calendar year 2014 and for a continuing period of time for current expenses of the Library.

**BEXLEY PUBLIC LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**Note 4 - Grants-in-aid and Tax Receipts (Continued)**

The full tax rate for all Library operations for the year ended December 31, 2018 was 2.80 mills per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which property tax receipts were based are as follows:

	Tax Year 2017 Collection Year 2018
Real Property - Residential & Commercial	\$553,817,240
Public Utility Personal Property	5,330,360
Total	\$559,147,600

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

**Note 5 – Defined Benefit Pension and Postemployment Benefit Plans**

***Ohio Public Employees Retirement System***

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. OPERS members contribute 10% of their gross salaries and the Library contributed an amount equaling 14% of participant’s gross salaries. The Library recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. The Library has paid all contributions required through December 31, 2018.

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, and deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2018.

**Note 6 - Risk Management**

**Commercial Insurance**

The Library has obtained commercial insurance for the following risks:

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

During 2018 the Library did not pay for any losses that exceeded insurance coverage. The Library is not currently a defendant in any legal case.

**BEXLEY PUBLIC LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**Note 6 - Risk Management (Continued)**

Workers' Compensation coverage is provided by the State of Ohio. The Library pays the State Workers' Compensation a premium based on a rate per \$100 salaries. The rate is calculated based on accident history and administrative costs (if material).

**Note 7 - Joint Venture**

The Library is a member of the Central Library Consortium (the "CLC"). The CLC is a separate entity established as a joint venture to provide reduced costs to the individual member libraries through collective efforts and cooperative resource sharing. The CLC undertakes projects that strive to complement the existing resources available through the State Library regional system. The CLC, which commenced in 1988 and consists of seventeen member Libraries. The Bexley Public Library became a member of the CLC during September 2013. The CLC is governed by a Council consisting of one appointed representative by each member library. The CLC's financial operations are accounted for in the Agency Fund of the Grandview Heights Public Library. Members make payments to the CLC in amounts established in the agreements for individual projects undertaken by the CLC. The Library has no explicit and measurable equity interest in the venture. The Library's only ongoing financial responsibility to the CLC is for participating projects that have been entered into by the Library. Financial information and statements can be obtained from the Grandview Heights Public Library, Franklin County, 1685 W. 1<sup>st</sup> Ave. Columbus, Ohio 43212. You can read additional information concerning the CLC on their website, <http://www.clcoho.org/member-libraries>.

**Note 8 - Contingent Liabilities**

Management believes there are no pending claims or lawsuits.

**Note 9 - Debt**

The Library did not have any general obligation outstanding note or bonded debt for the year ended December 31, 2018.

**Note 10 - Leases**

The Library leases multiple document management copiers under an agreement which has the following provisions; purchase the equipment for the fair market value, renew the agreement or return the equipment. The 5 year (60 month) lease extends through April 2020. Future lease pay obligations are as follows:

Year	Amount
2019	\$10,338
2020	3,470
Total	\$13,808

**Note 11 - Transfers**

In 2018, the Library had transfers as follows:

	<u>Transfers From:</u>	<u>Transfers To:</u>
General	\$75,000	
Capital Projects Fund		
Building & Repair Fund		\$75,000

Transfers are used to move unrestricted receipts collected in the General Fund to finance various programs or projects accounted for in the other funds in accordance with budgetary authorizations.



**BEXLEY PUBLIC LIBRARY  
FRANKLIN COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	General	Special Revenue	Capital Projects	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$1,314,886				\$1,314,886
Public Library	1,471,555				1,471,555
Intergovernmental	15,388				15,388
Patron Fines and Fees	20,419				20,419
Services Provided to Other Entities	500				500
Contributions, Gifts and Donations	105,612	25,100	2,359		133,071
Earnings on Investments	21,093	129	5,540	692	27,454
Miscellaneous	4,316				4,316
<i>Total Cash Receipts</i>	<u>2,953,769</u>	<u>25,229</u>	<u>7,899</u>	<u>692</u>	<u>2,987,589</u>
<b>Cash Disbursements</b>					
Current:					
Library Services:					
Public Services and Programs	1,203,466	8,874			1,212,340
Collection Development and Processing	510,699				510,699
Support Services:					
Facilities Operation and Maintenance	297,926				297,926
Information Services	104,401				104,401
Business Administration	367,362				367,362
Capital Outlay			42,453		42,453
<i>Total Cash Disbursements</i>	<u>2,483,854</u>	<u>8,874</u>	<u>42,453</u>	<u>0</u>	<u>2,535,181</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>469,915</u>	<u>16,355</u>	<u>(34,554)</u>	<u>692</u>	<u>452,408</u>
<b>Other Financing Receipts (Disbursements)</b>					
Transfers In			75,000		75,000
Transfers Out	(75,000)				(75,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(75,000)</u>	<u>0</u>	<u>75,000</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	394,915	16,355	40,446	692	452,408
<i>Fund Cash Balances, January 1</i>	<u>1,586,421</u>	<u>31,643</u>	<u>540,167</u>	<u>66,474</u>	<u>2,224,705</u>
<b>Fund Cash Balances, December 31</b>					
Nonspendable				65,842	65,842
Restricted		47,998		1,324	49,322
Committed					
Assigned	45,317		580,613		625,930
Unassigned (Deficit)	1,936,019				1,936,019
<i>Fund Cash Balances, December 31</i>	<u>\$1,981,336</u>	<u>\$47,998</u>	<u>\$580,613</u>	<u>\$67,166</u>	<u>\$2,677,113</u>

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

**BEXLEY PUBLIC LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**Note 1 – Description of the Library and Reporting Entity**

**A. Description of the Entity**

The Bexley Public Library, Franklin County, (the Library) is body politic and corporate 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 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 provides the community with various educational and literary resources.

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.

A reporting entity is comprised of the primary government, component units and other organizations included assuring that the basic financial statements are not misleading. The primary government of the Library consists of all funds, departments, boards and agencies that are not legally separate from the library.

Component units are legally separate organizations for which the Library is financially accountable. The Library is financially accountable for an organization if the Library appoints a voting majority of the organization's governing board and (1) the Library is able to significantly influence the programs or services performed or provided by the organization; or (2) the Library is legally entitled to or can otherwise access the organization's resources; the Library is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Library is obligated for the debt of the organization. The Library is also financially accountable for any organizations for which the Library approves the budget, the issuance of debt or the levying of taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Library, are accessible to the Library and are significant in amount to the Library. The Library has no component units as described in GASB Statement 14/39.

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 is a member of the Central Library Consortium (the CLC), a joint venture to provide reduced costs to the individual member libraries through collective efforts and resources sharing. The CLC is further discussed in Note 7.

The Library's management believes these financial statements present all activities for which the Library is financially accountable.

**BEXLEY PUBLIC LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**Note 1 – Description of the Library and Reporting Entity (Continued)**

**B. Summary of Significant Accounting Policies and Basis of Presentation**

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and the Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Library Board 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

The Library's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types.

**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.

Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report. Investment in STAR Ohio is measured at the net asset value (NAV) per share by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

**D. Fund Accounting**

The Library uses fund accounting to maintain its financial records during the year and to segregate cash and investments that are restricted as to use. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. 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. The General Fund balance is available to the Library for any purpose provided it is expended or transferred according to the general laws of Ohio.

**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 Samuel C. & Gale M. Shamansky 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 Samuel Shamansky and the Library Director.

*The Crane Expendable Trust Fund* – This Special Revenue Fund receives gifts and donations from benefactors and expends the resources for Library goods and services at the discretion of Paige Crane and the Library Director.

**BEXLEY PUBLIC LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**Note 1 – Description of the Library and Reporting Entity (Continued)**

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds (Continued)**

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

*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.

**3. Capital Project Funds**

These funds account for and report financial resources that are restricted, 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 maintaining, 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.

*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.

**E. Budgetary Process**

The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

All funds are legally required to be appropriated. The appropriations resolution is the Trustee's authorization to spend resources and set limits on cash disbursements plus encumbrances at the level of control selected by the Trustees. Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, and object level of control. Budgetary modifications at the legal level of control may only be made by resolution of the Board of Library Trustees.

**BEXLEY PUBLIC LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**Note 1 – Description of the Library and Reporting Entity (Continued)**

**E. Budgetary Process (Continued)**

For control purposes, the Library estimates cash receipts for the year. These estimated receipts, together with unencumbered carry-over balances from the prior year, set a limit on the amount the Trustees may appropriate. The estimated receipts may be revised during the year if projected increases or decreases in receipts are identified by the Fiscal Officer.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations should not exceed estimated resources.

The Library Trustees have declared that the Friends of the Library, Expendable and Non-Expendable trust funds are “deemed appropriated” without any further Board appropriation approval and that the Library Director is authorized to make expenditures from these funds for any lawful purpose which is consistent with the purpose for which the funds were established.

A summary of 2017 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.

**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.

**BEXLEY PUBLIC LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**Note 1 – Description of the Library and Reporting Entity (Continued)**

**F. Fund Balance (Continued)**

**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 – Capital Assets**

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.

**Note 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, 2017 were as follows:

	2017
Demand Deposits	\$50,970
STAR Plus	51,177
Change Fund	950
Petty Cash	100
Total Deposits	\$103,197
STAR Ohio	2,573,916
Total Investments	2,573,916
Total Deposits and Investments	\$2,677,113

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution’s public entity deposit pool.

Effective July 1, 2017, the Ohio Pooled Collateral System (OPCS) was implemented by the Office of the Ohio Treasurer of State. Financial institutions have the option of participating in OPCS or collateralizing utilizing the specific pledge method. Financial institutions are transitioning to OPCS, but some have been granted extensions that may carry over year end and will be collateralizing with their own collateral pool until they join OPCS. Beginning December 2017 the Library’s Board of Trustees approved participating in OPCS with its financial institution.

**BEXLEY PUBLIC LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**Note 2 - Equity in Pooled Deposits and Investments (Continued)**

The OPCS Program is intended to provide safeguards against fraud and afford local government entities administrative benefits, such as the ability to shift the burden of managing and processing pledged collateral to the state, while maintaining control over their relationships with depository institutions and their choice of collateral.

**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, 2017, the custodian held \$14,930 in Library assets. The accompanying financial statements do not include these assets or the related receipts and disbursements.

During 2016 the Library established a "Bexley Community Author Series Fund" with the Bexley Community Foundation, which serves as a custodian bank, to be used for the purposes of bringing prominent writers to speak in Bexley. The accompanying financial statements do not include these assets or any related receipts and disbursements.

**Note 3 - Budgetary Activity**

Budgetary activity for the year ended December 31, 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,937,321	\$2,953,769	\$16,448
Special Revenue	25,219	25,229	10
Capital Projects	82,758	82,899	141
Permanent	672	692	20
Total	\$3,045,970	\$3,062,589	\$16,620

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,919,074	\$2,604,171	\$314,903
Special Revenue	25,143	9,100	16,043
Capital Projects	125,575	72,311	53,264
Permanent	0	0	0
Total	\$3,069,792	\$2,685,582	\$384,210

**BEXLEY PUBLIC LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**Note 4 - Grants-in-aid and Tax Receipts**

***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 using the statutory allocation method. Estimated entitlement figures were issued to County Auditors. The actual current year entitlements were computed in December of the current year. The difference between the estimate and actual will be adjusted evenly in the PLF distributions made from January-June of the subsequent year.

***Property Taxes***

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 December 31. The second half payment is due the following June 20.

During November 2013 the voters of the Bexley City School District approved a 2.80 mill operating tax levy in excess of the ten mill limitation for collections beginning calendar year 2014 and for a continuing period of time for current expenses of the Library.

The full tax rate for all Library operations for the year ended December 31, 2017 was 2.80 mills per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which property tax receipts were based are as follows:

	Tax Year 2016 Collection Year 2017
Real Property - Residential & Commercial	\$493,501,760
Public Utility Personal Property	5,084,970
Total	<u>\$498,586,730</u>

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, 2017**

**Note 5 – Defined Benefit Pension and Postemployment Benefit Plans**

***Ohio Public Employees Retirement System***

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. OPERS members contribute 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, 2017

OPERS offers cost-sharing, multiple-employer defined postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and combined plans. OPERS contributes 1.0 percent during calendar year 2017.

**Note 6 - Risk Management**

**Commercial Insurance**

The Library has obtained commercial insurance for the following risks:

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

During 2017 the Library did not pay for any losses that exceeded insurance coverage. The Library is not currently a defendant in any legal case.

Workers' Compensation coverage is provided by the State of Ohio. The Library pays the State Workers' Compensation a premium based on a rate per \$100 salaries. The rate is calculated based on accident history and administrative costs (if material).

**Note 7 - Joint Venture**

The Library is a member of the Central Library Consortium (the "CLC"). The CLC is a separate entity established as a joint venture to provide reduced costs to the individual member libraries through collective efforts and cooperative resource sharing. The CLC undertakes projects that strive to complement the existing resources available through the State Library regional system. The CLC, which commenced in 1988, has fourteen members consisting of Alexandria Public Library, Bexley Public Library, Columbus Metropolitan Library, Fairfield County District Public Library, Grandview Heights Public Library, London Public Library, Marysville Public Library, Pickaway County District Library, Pickerington Public Library, Plain City Public Library, Southwest Public Libraries, Upper Arlington Public Library, Wagnalls Memorial Library and Worthington Libraries. The Bexley Public Library became a member of the CLC during September 2013. The CLC is governed by a Council consisting of one appointed representative by each member library. The CLC's financial operations are accounted for in the Agency Fund of the Grandview Heights Public Library. Members make payments to the CLC in amounts established in the agreements for individual projects undertaken by the CLC. The Library has no explicit and measurable equity interest in the venture.

**BEXLEY PUBLIC LIBRARY  
FRANKLIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**Note 7 - Joint Venture (Continued)**

The Library's only ongoing financial responsibility to the CLC is for participating projects that have been entered into by the Library. Financial information and statements can be obtained from the Grandview Heights Public Library, Franklin County, 1685 W. 1<sup>st</sup> Ave. Columbus, Ohio 43212. You can read additional information concerning the CLC on their website, <http://www.clcoho.org/member-libraries>.

**Note 8 - Contingent Liabilities**

Management believes there are no pending claims or lawsuits.

**Note 9 - Debt**

The Library did not have any general obligation outstanding note or bonded debt for the year ended December 31, 2017.

**Note 10 - Leases**

The Library leases multiple document management copiers under an agreement which has the following provisions; purchase the equipment for the fair market value, renew the agreement or return the equipment. The 5 year (60 month) lease extends through April 2020. Future lease pay obligations are as follows:

Year	Amount
2018	10,124
2019	10,338
2020	3,470
Total	\$23,932

**Note 11 - Transfers**

In 2017, the Library had transfers as follows:

	<u>Transfers From:</u>	<u>Transfers To:</u>
General	\$75,000	
Capital Projects Fund		
Building & Repair Fund		\$75,000

Transfers are used to move unrestricted receipts collected in the General Fund to finance various programs or projects accounted for in the other funds in accordance with budgetary authorizations.



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**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 East Main Street  
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 cash balances, receipts, and disbursements by fund type of the Bexley Public Library, Franklin County, Ohio, (the Library) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, and have issued our report thereon dated May 21, 2019, wherein we noted the Library followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

***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 opinions 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.



Keith Faber  
Auditor of State

Columbus, Ohio

May 21, 2019

OHIO AUDITOR OF STATE  
**KEITH FABER**



**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  
JUNE 18, 2019**