



Mary Taylor, CPA
Auditor of State

COSHOCTON PUBLIC LIBRARY
COSHOCTON COUNTY

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Mary Taylor, CPA

Auditor of State

Coshocton Public Library
Coshocton County
655 Main Street
Coshocton, Ohio 43812

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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Mary Taylor, CPA
Auditor of State

July 20, 2009

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Coshocton Public Library
Coshocton County
655 Main Street
Coshocton, Ohio 43812

To the Board of Trustees:

We have audited the accompanying financial statements of Coshocton Public Library, Coshocton County, Ohio, (the Library) as of and for the years ended December 31, 2008 and 2007. 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, 2008 and 2007 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, 2008 and 2007, 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 Coshocton Public Library, Coshocton County, Ohio, as of December 31, 2008 and 2007, 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 July 20, 2009, 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

July 20, 2009

**COSHOCTON PUBLIC LIBRARY
COSHOCTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Fund Types					Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Permanent	Private Purpose Trust Funds	
Cash Receipts:						
Library and Local Government Support	\$1,360,264					\$1,360,264
Intergovernmental		\$12,079				12,079
Patron Fines and Fees	39,892					39,892
Charges for Services		11,737				11,737
Contributions, Gifts and Donations	13,255	67,308	\$6,300		\$1,314	88,177
Earnings on Investments	33,680	795	30,128	\$7,868		72,471
Miscellaneous	5,927	128				6,055
Total Cash Receipts	1,453,018	92,047	36,428	7,868	1,314	1,590,675
Cash Disbursements:						
Current:						
Salaries	797,554	78,920				876,474
Employee Fringe Benefits	213,541	21,067				234,608
Purchased and Contractual Services	193,239	55,839	6,545		314	255,937
Library Materials and Information	182,405	802		2,760		185,967
Supplies	29,101	5,243				34,344
Other	9,717	622				10,339
Capital Outlay	12,781	228	88,196		1,000	102,205
Total Cash Disbursements	1,438,338	162,721	94,741	2,760	1,314	1,699,874
Total Cash Receipts Over/(Under) Cash Disbursements	14,680	(70,674)	(58,313)	5,108	0	(109,199)
Other Financing Receipts / (Disbursements):						
Transfers-In		65,980				65,980
Transfers-Out	(65,980)					(65,980)
Total Other Financing Receipts / (Disbursements)	(65,980)	65,980	0	0	0	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(51,300)	(4,694)	(58,313)	5,108	0	(109,199)
Fund Cash Balances, January 1	956,535	12,358	805,156	165,736		1,939,785
Fund Cash Balances, December 31	\$905,235	\$7,664	\$746,843	\$170,844	\$0	\$1,830,586
Reserves for Encumbrances, December 31	\$37,846	\$2,712	\$0	\$0	\$0	\$40,558

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

**COSHOCTON PUBLIC LIBRARY
COSHOCTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Fund Types					Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Permanent	Private Purpose Trust Funds	
Cash Receipts:						
Library and Local Government Support	\$1,382,578					\$1,382,578
Intergovernmental		\$16,638	\$1,000			17,638
Patron Fines and Fees	41,799					41,799
Charges for Services		11,497				11,497
Contributions, Gifts and Donations	8,364	63,160	23,408		\$8,202	103,134
Earnings on Investments	39,721	1,310	29,626	\$4,742	9	75,408
Miscellaneous	4,527	7				4,534
Total Cash Receipts	1,476,989	92,612	54,034	4,742	8,211	1,636,588
Cash Disbursements:						
Current:						
Salaries	762,257	75,383				837,640
Employee Fringe Benefits	192,195	21,448				213,643
Purchased and Contractual Services	173,771	41,423			323	215,517
Library Materials and Information	203,935			2,435		206,370
Supplies	27,691	11,531				39,222
Other	10,082	560				10,642
Capital Outlay	10,404	1,368	66,488		7,888	86,148
Total Cash Disbursements	1,380,335	151,713	66,488	2,435	8,211	1,609,182
Total Cash Receipts Over/(Under) Cash Disbursements	96,654	(59,101)	(12,454)	2,307	0	27,406
Other Financing Receipts / (Disbursements):						
Sale of Capital Assets		1,170				1,170
Transfers-In		62,840	30,000			92,840
Transfers-Out	(92,840)					(92,840)
Total Other Financing Receipts / (Disbursements)	(92,840)	64,010	30,000	0	0	1,170
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	3,814	4,909	17,546	2,307	0	28,576
Fund Cash Balances, January 1 - Restated - See Note 2	952,721	7,449	787,610	163,429		1,911,209
Fund Cash Balances, December 31	\$956,535	\$12,358	\$805,156	\$165,736	\$0	\$1,939,785
Reserves for Encumbrances, December 31	\$34,420	\$3,456	\$10,240	\$0	\$0	\$48,116

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

**COSHOCTON PUBLIC LIBRARY
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

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 Coshocton Public Library, Coshocton County, (the Library) as a body corporate and politic. The Coshocton County Commissioners and the judge of the Court of Common Pleas of Coshocton County appoint a seven-member Board of Trustees to govern the Library. The Library provides the community with various educational and literary resources.

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Library recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Deposits and Investments

The Library values certificates of deposit at cost. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

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:

Johnson-Humrickhouse Museum Fund - This fund is used to account for the operations of the Museum.

**COSHOCTON PUBLIC LIBRARY
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

3. Capital Project Funds

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

Library Building Fund – This fund is used to provide capital improvements to the Library.

Automated Library Systems Fund – This fund is used to purchase or update automated information systems of the Library.

4. Permanent Fund

This fund accounts for assets held under a trust agreement that is 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:

Library Endowment Fund – This is a non-expendable trust fund of which the proceeds of invested funds are credited to the fund to offset operational costs.

5. Private-Purpose Trust Fund

Private-purpose trust fund accounts for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Library's own programs.

Pomerene House Fund - The Library's private purpose trust fund is for the benefit of the Pomerene Center of the Arts building.

E. Budgetary Process

The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end. Budgetary expenditures may not exceed appropriations at the fund level of control.

A summary of 2008 and 2007 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.

**COSHOCTON PUBLIC LIBRARY
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

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.

2. Restatement of Fund Balance

To report cash held in a Health Reimbursement Account (HRA), the January 1, 2007 General Fund balance was restated as follows:

January 1, 2007 Fund Balance as Reported	\$952,108
 Adjustment:	
HRA Cash Balance at January 1, 2007	613

Restated January 1, 2007 Fund Balance	\$952,721

3. Equity in Pooled Deposits and Investments

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

	2008	2007
Demand deposits	\$26,905	\$14,484
Certificates of deposit	1,278,341	1,245,000
Other time deposits (savings and NOW accounts)	467,834	624,232
Total deposits	1,773,080	1,883,716
STAR Ohio	57,506	56,069
Total deposits and investments	\$1,830,586	\$1,939,785

Deposits: Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Library; or collateralized by the financial institution's public entity deposit pool; or collateralized by surety bond.

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

**COSHOCTON PUBLIC LIBRARY
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

4. Budgetary Activity

Budgetary activity for the years ended 2008 and 2007 follows:

2008 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,457,421	\$1,453,018	(\$4,403)
Special Revenue	173,200	158,027	(15,173)
Capital Projects	36,030	36,428	398
Permanent	6,400	7,868	1,468
Private Purpose Trust	2,165	1,314	(851)
Total	\$1,675,216	\$1,656,655	(\$18,561)

2008 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,646,266	\$1,542,164	\$104,102
Special Revenue	176,656	165,433	11,223
Capital Projects	111,410	94,741	16,669
Permanent	6,400	2,760	3,640
Private Purpose Trust	2,164	1,314	850
Total	\$1,942,896	\$1,806,412	\$136,484

2007 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,469,178	\$1,476,989	\$7,811
Special Revenue	185,191	156,622	(28,569)
Capital Projects	50,745	84,034	33,289
Permanent	6,400	4,742	(1,658)
Private Purpose Trust	8,211	8,211	0
Total	\$1,719,725	\$1,730,598	\$10,873

2007 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,600,241	\$1,507,595	\$92,646
Special Revenue	187,638	155,169	32,469
Capital Projects	98,370	76,728	21,642
Permanent	6,400	2,435	3,965
Private Purpose Trust	8,211	8,211	0
Total	\$1,900,860	\$1,750,138	\$150,722

**COSHOCTON PUBLIC LIBRARY
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

5. GRANTS-IN-AID AND TAX RECEIPTS

The primary source of revenue for Ohio public libraries is the State Library and Local Government Support Fund (LLGSF), now the Public Library Fund (PLF). The State allocates PLF to each county based on the county's prior intangibles tax of PLF 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 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. For 2008 and 2007, OPERS members contributed 10% and 9.5%, respectively, of their gross salaries and the Library contributed an amount equaling 14% and 13.85%, respectively, of participants' gross salaries. The Library has paid all contributions required through December 31, 2008.

7. Risk Management

Commercial Insurance

The Library has obtained commercial insurance for the following risks:

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

8. Subsequent Events

The primary source of revenue for Ohio public libraries is the State Library and Local Government Support Fund (LLGSF), now the Public Library Fund (PLF). The State allocates PLF to each county based on the county's prior intangibles tax of PLF revenues, and its population. A decrease in State General Fund revenue has caused the funding to decrease by an estimate of 20%. During July 2009, the State of Ohio finalized its biennium budget for fiscal years 2010 and 2011 that could cause an additional decrease in funding that is estimated to be 11%.

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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*

Coshocton Public Library
Coshocton County
655 Main Street
Coshocton, Ohio 43812

To the Board of Trustees:

We have audited the financial statements of the Coshocton Public Library, Coshocton County, Ohio, (the Library) as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated July 20, 2009, wherein we noted the Library followed accounting practices the Auditor of State prescribes or permits 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.

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.

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 internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted certain matters that we reported to the Library's management in a separate letter dated July 20, 2009.

101 Central Plaza South / 700 Chase Tower / Canton, OH 44702-1509
Telephone: (330) 438-0617 (800) 443-9272 Fax: (330) 471-0001
www.auditor.state.oh.us

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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note a certain noncompliance or other matter that we reported to the Library's management in a separate letter dated July 20, 2009.

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

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

Mary Taylor, CPA
Auditor of State

July 20, 2009



Mary Taylor, CPA
Auditor of State

COSHOCTON PUBLIC LIBRARY

COSHOCTON COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 8, 2009**