
ALGER & ASSOCIATES, LLC



COSHOCTON PUBLIC LIBRARY

COSHOCTON COUNTY

REGULAR AUDIT

A&A

FOR THE YEARS ENDED

DECEMBER 31, 2010 & 2009



Dave Yost • Auditor of State

Board of Trustees
Coshocton Public Library
655 Main Street
Coshocton, Ohio 43812

We have reviewed the *Independent Accountants' Report* of the Coshocton Public Library, Coshocton County, prepared by Alger & Associates, LLC, for the audit period January 1, 2009 through December 31, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Accountants' Report* on your financial statements. While the Auditor of State 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Accountants' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Coshocton Public Library is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

June 20, 2011

COSHOCTON PUBLIC LIBRARY
COSHOCTON COUNTY

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ALGER & ASSOCIATES, LLC

Certified Public Accountants

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Members of the Board of Trustees:

We have audited the accompanying financial statements of Coshocton Public Library, Coshocton County, (the Library) as of and for the years ended December 31, 2010 and 2009. 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.

6927 Burgundy Ave. N.W.
North Canton, OH 44720
(330) 353-5851

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, 2010 and 2009 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, 2010 and 2009, 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, as of December 31, 2010 and 2009, 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 May 7, 2011, 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.

Alger & Associates, LLC
May 7, 2011

**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, 2010**

	All Fund Types					Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Permanent	Private Purpose Trust Funds	
Cash Receipts:						
Library and Local Government Support	\$1,050,441					\$1,050,441
Patron Fines and Fees	34,661					34,661
Contributions, Gifts and Donations	3,417	\$75,645	\$50,000		\$7,671	136,733
Earnings on Investments	14,356	45	14,006	\$3,280		31,687
Charges for Services		10,097				10,097
Miscellaneous	9,499	65				9,564
Total Cash Receipts	1,112,374	85,852	64,006	3,280	7,671	1,273,183
Cash Disbursements:						
Current:						
Salaries	579,352	75,905				655,257
Employee Fringe Benefits	215,098	22,623				237,721
Purchased and Contractual Services	167,091	39,817			359	207,267
Library Materials and Information	78,707	20		1,171		79,898
Supplies	15,920	3,734				19,654
Other	3,635	693			12	4,340
Capital Outlay	2,932	300	20,674		7,300	31,206
Total Cash Disbursements	1,062,735	143,092	20,674	1,171	7,671	1,235,343
Total Receipts Over/(Under) Disbursements	49,639	(57,240)	43,332	2,109	0	37,840
Other Financing Receipts / (Disbursements):						
Sale of Property		202				202
Transfers-In		49,009				49,009
Transfers-Out	(49,009)					(49,009)
Total Other Financing Receipts / (Disbursements)	(49,009)	49,211	0	0	0	202
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	630	(8,029)	43,332	2,109	0	38,042
Fund Cash Balances, January 1	818,341	10,070	745,288	173,907	0	1,747,606
Fund Cash Balances, December 31	\$818,971	\$2,041	\$788,620	\$176,016	\$0	\$1,785,648
Reserve for Encumbrances, December 31	\$39,712	\$0	\$0	\$0	\$0	\$39,712

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	All Fund Types					Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Permanent	Private Purpose Trust Funds	
Cash Receipts:						
Library and Local Government Support	\$1,118,111					1,118,111
Intergovernmental		\$8,331	\$3,900			12,231
Patron Fines and Fees	39,265					39,265
Contributions, Gifts and Donations	20,184	71,521	0		\$1,126	92,831
Earnings on Investments	17,378	60	15,647	\$4,343		37,428
Charges for Services	0	11,923				11,923
Miscellaneous	11,537	9,398				20,935
Total Cash Receipts	1,206,475	101,233	19,547	4,343	1,126	1,332,724
Cash Disbursements:						
Current:						
Salaries	702,886	78,138				781,024
Employee Fringe Benefits	216,010	22,856				238,866
Purchased and Contractual Services	168,236	49,934			314	218,484
Library Materials and Information	124,096			1,280		125,376
Supplies	20,908	3,031				23,939
Other	4,376	621			12	5,009
Capital Outlay	904	200	21,102		800	23,006
Total Cash Disbursements	1,237,416	154,780	21,102	1,280	1,126	1,415,704
Total Receipts Over/(Under) Disbursements	(30,941)	(53,547)	(1,555)	3,063	0	(82,980)
Other Financing Receipts / (Disbursements):						
Transfers-In		55,953				55,953
Transfers-Out	(55,953)					(55,953)
Other Financing Uses						0
Total Other Financing Receipts / (Disbursements)	(55,953)	55,953	0	0	0	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(86,894)	2,406	(1,555)	3,063	0	(82,980)
Fund Cash Balances, January 1	905,235	7,664	746,843	170,844	0	1,830,586
Fund Cash Balances, December 31	\$818,341	\$10,070	\$745,288	\$173,907	\$0	\$1,747,606
Reserve for Encumbrances, December 31	\$41,992	\$0	\$0	\$0	\$0	\$41,992

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, 2010 AND 2009**

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's 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.

**COSHOCTON PUBLIC LIBRARY
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

1. Summary of Significant Accounting Policies – (continued)

D. Fund Accounting – (continued)

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.

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 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:

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 Funds

Private-purpose trust funds account 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

**COSHOCTON PUBLIC LIBRARY
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

1. Summary of Significant Accounting Policies – (continued)

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 2010 and 2009 budgetary activity appears in Note 3.

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.

2. Equity in Pooled Deposits and Investments

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

	2010	2009
Demand Deposits	\$20,074	\$23,517
Certificates of deposit	588,000	1,268,000
Other time deposits (savings and NOW accounts)	1,177,314	455,829
Total deposits	1,785,388	1,747,346
STAR Ohio	260	260
Total deposits and investments	\$1,785,648	\$1,747,606

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, 2010 AND 2009
(Continued)**

3. Budgetary Activity

Budgetary activity for the years ending 2010 and 2009 follows:

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,083,639	\$1,112,374	\$28,735
Special Revenue	164,900	135,063	(29,837)
Capital Projects	14,400	64,006	49,606
Permanent	3,400	3,280	(120)
Private Purpose Trust	8,300	7,671	(629)
Total	\$1,274,639	\$1,322,394	\$47,755

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,230,272	\$1,151,456	\$78,816
Special Revenue	164,900	143,092	21,808
Capital Projects	35,000	20,674	14,326
Permanent	4,000	1,171	2,829
Private Purpose Trust	8,300	7,671	629
Total	\$1,442,472	\$1,324,064	\$118,408

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,122,600	\$1,206,475	\$83,875
Special Revenue	184,782	157,186	(27,596)
Capital Projects	15,505	19,547	4,042
Permanent	4,000	4,343	343
Private Purpose Trust	1,176	1,126	(50)
Total	\$1,328,063	\$1,388,677	\$60,614

**COSHOCTON PUBLIC LIBRARY
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

3. Budgetary Activity – (continued)

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,410,796	\$1,335,361	\$75,435
Special Revenue	187,484	154,780	32,704
Capital Projects	24,821	21,102	3,719
Permanent	4,000	1,280	2,720
Private Purpose Trust	1,176	1,126	50
Total	\$1,628,277	\$1,513,649	\$114,628

4. Grants-in-aid and Tax Receipts

The primary source of revenue for Ohio public libraries is the Public Library Fund (PLF). The State allocates PLF to each county based on the total tax revenue credited to the State's general revenue fund during the preceding month. The County Budget Commission bases the amount for distribution on the needs of such library for the construction of new library buildings, parts of buildings, improvements, operation, maintenance, or other expenses. The County Budget Commission cannot reduce its allocation of these funds to the Library based on of any additional revenues the Library receives.

5. Retirement Systems

The Library's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2010 and 2009, OPERS members contributed 10% and 10%, respectively, of their gross salaries and the Library contributed an amount equaling 14% and 14% respectively, of participants' gross salaries. The Library has paid all contributions required through December 31, 2010.

**COSHOCTON PUBLIC LIBRARY
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

6. 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.



ALGER & ASSOCIATES, LLC

Certified Public Accountants

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 statement of the Coshocton Public Library, Coshocton County, Ohio (the Library), as of and for the year ended December 31, 2010 and 2009, and have issued our report thereon dated May 7, 2011, wherein we noted the Library prepared its financial statement using 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 the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Library internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Library's internal control over financial reporting.

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 more than a reasonable possibility that a material misstatement of the Library's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

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 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.

Alger & Associates, LLC
May 7, 2011



Dave Yost • Auditor of State

COSHOCTON COUNTY 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
JUNE 30, 2011**