



**COSHOCTON PUBLIC LIBRARY
COSHOCTON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

COSHOCTON PUBLIC LIBRARY
COSHOCTON COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Board of Trustees:

We have audited the accompanying financial statements of the Coshocton Public Library, Coshocton County, Ohio, (the Library) as of and for the years ended December 31, 2000 and 1999. 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 audits.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about 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 that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Library prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Library as of December 31, 2000 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2001, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

This report is intended solely for the information and use of the audit committee, management, Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

April 23, 2001

**COSHOCTON PUBLIC LIBRARY
COSHOCTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Expendable Trust	
Cash Receipts:					
State Library Local Government Support	\$1,473,658				\$1,473,658
Other Government Grants-In-Aid		\$5,598			5,598
Patron Fines and Fees	29,008				29,008
Earnings on Investments	45,775	1,171	\$17,327	\$1	64,274
Contributions, Gifts and Donations	7,327	71,755		2,840	81,922
Miscellaneous	1,539	643			2,182
Total Cash Receipts	1,557,307	79,167	17,327	2,841	1,656,642
Cash Disbursements:					
Current:					
Salaries and Benefits	730,400	81,704			812,104
Supplies	29,211	4,319			33,530
Purchased and Contracted Services	130,233	40,743		3,111	174,087
Library Materials and Information	208,848	3,020			211,868
Other	18,738	335			19,073
Capital Outlay	4,341	2,638	37,001		43,980
Total Cash Disbursements	1,121,771	132,759	37,001	3,111	1,294,642
Total Cash Receipts Over/(Under) Cash Disbursements	435,536	(53,592)	(19,674)	(270)	362,000
Other Financing Receipts/(Disbursements):					
Transfers-In		44,671	150,000		194,671
Transfers-Out	(194,671)				(194,671)
Total Other Financing Receipts/(Disbursements)	(194,671)	44,671	150,000		
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	240,865	(8,921)	130,326	(270)	362,000
Fund Cash Balances, January 1	647,938	25,247	392,870	295	1,066,350
Fund Cash Balances, December 31	\$888,803	\$16,326	\$523,196	\$25	\$1,428,350
Reserves for Encumbrances, December 31	\$45,003	\$1,039	\$62,447	\$0	\$108,489

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 GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Expendable Trust	
Cash Receipts:					
State Library Local Government Support	\$1,367,178				\$1,367,178
Other Government Grants-In-Aid		\$8,559			8,559
Patron Fines and Fees	44,507	938			45,445
Earnings on Investments	37,540	108,489	\$4,731	\$4	150,764
Services Provided to Other Entities	900				900
Contributions, Gifts and Donations	3,246	45,422		2,824	51,492
Miscellaneous	3,536	1,343			4,879
Total Cash Receipts	1,456,907	164,751	4,731	2,828	1,629,217
Cash Disbursements:					
Current:					
Salaries and Benefits	711,234	81,146			792,380
Supplies	21,787	2,682			24,469
Purchased and Contracted Services	141,375	35,909	956	2,550	180,790
Library Materials and Information	190,720	1,948			192,668
Other	18,007	210			18,217
Capital Outlay	13,683	8,209	44,633		66,525
Total Cash Disbursements	1,096,806	130,104	45,589	2,550	1,275,049
Total Cash Receipts Over/(Under) Cash Disbursements	360,101	34,647	(40,858)	278	354,168
Other Financing Receipts/(Disbursements):					
Sale of assets	166				166
Transfers-In		42,543	157,457		200,000
Transfers-Out	(200,000)	(144,859)			(344,859)
Total Other Financing Receipts/(Disbursements)	(199,834)	(102,316)	157,457	0	(144,693)
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	160,267	(67,669)	116,599	278	209,475
Fund Cash Balances, January 1	487,671	92,916	276,271	17	856,875
Fund Cash Balances, December 31	\$647,938	\$25,247	\$392,870	\$295	\$1,066,350
Reserves for Encumbrances, December 31	\$35,306	\$2,310	\$2,022	\$0	\$39,638

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

**COSHOCTON PUBLIC LIBRARY
COSHOCTON COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - NON-EXPENDABLE TRUST FUND
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

	<u>2000</u>	<u>1999</u>
Non-Operating Cash Receipts/(Disbursements):		
Transfers-In		\$144,859
Donation		<u>(897,806)</u>
Net Income	\$0	(752,947)
Fund Cash Balances, January 1	<u>93,602</u>	<u>846,549</u>
Fund Cash Balances, December 31	<u>\$93,602</u>	<u>\$93,602</u>
Reserves for Encumbrances, December 31	<u>\$0</u>	<u>\$0</u>

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

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**COSHOCTON PUBLIC LIBRARY
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Coshocton Public Library, Coshocton County, Ohio, (the Library) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Library is directed by a seven member Board of Trustees; four are appointed by the Coshocton County Commissioners and three are appointed by the judges of the Court of Common Pleas of Coshocton County. 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. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized 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 prescribed or permitted by the Auditor of State.

C. Cash and Investments

Certificates of Deposit are valued 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 is the general operating fund. It is used to account for 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, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting - (Continued)

2. Special Revenue Fund

This fund is used to account for proceeds from specific sources (other than from trusts) that are restricted to expenditure for specific purposes. The Library's only Special Revenue Fund was the Museum General Fund which is used to account for the operations of the museum.

3. Capital Projects Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Library had the following significant Capital Projects Funds:

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

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

4. Fiduciary Funds (Trust Fund)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Library to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. The Library had the following significant fiduciary funds:

Pomerene House Fund - This is an expendable trust fund established to help maintain the Pomerene Center for the Arts building.

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

E. Budgetary Process

The Ohio Administrative Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function and object level of control. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

**COSHOCTON PUBLIC LIBRARY
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

3. Encumbrances

The Ohio Administrative Code requires the Library to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Library.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Library maintains a cash and investment pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 follows:

	<u>2000</u>	<u>1999</u>
Demand deposits	\$562,167	\$337,438
Certificates of deposit	590,000	475,000
Total deposits	1,152,167	812,438
STAR Ohio	369,785	347,514
Total deposits and investments	\$1,521,952	\$1,159,952

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

**COSHOCTON PUBLIC LIBRARY
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,557,158	\$1,557,307	\$149
Special Revenue	123,530	123,838	308
Capital Projects	167,264	167,327	63
Fiduciary	2,841	2,841	0
Total	<u>\$1,850,793</u>	<u>\$1,851,313</u>	<u>\$520</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,595,956	\$1,361,445	\$234,511
Special Revenue	146,410	133,798	12,612
Capital Projects	143,522	99,448	44,074
Fiduciary	3,086	3,111	(25)
Total	<u>\$1,888,974</u>	<u>\$1,597,802</u>	<u>\$291,172</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,449,877	\$1,457,073	\$7,196
Special Revenue	207,643	207,294	(349)
Capital Projects	161,693	162,188	495
Fiduciary	147,687	147,687	0
Total	<u>\$1,966,900</u>	<u>\$1,974,242</u>	<u>\$7,342</u>

**COSHOCTON PUBLIC LIBRARY
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,538,731	\$1,332,112	\$206,619
Special Revenue	296,832	277,273	19,559
Capital Projects	96,873	47,611	49,262
Fiduciary	900,651	900,356	295
Total	\$2,833,087	\$2,557,352	\$275,735

4. 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). The LLGSF is allocated to each county based on the county's prior intangibles tax of LLGSF revenues, and its population. The County Budget Commission allocates these funds to the Library based on its needs such as for the construction of new library buildings, improvements, operation, maintenance, or other expenses. The Budget Commission cannot reduce its allocation of these funds to the Library on account of any additional revenues realized by the Library.

5. RETIREMENT SYSTEM

The Public Employees Retirement System of Ohio (PERS) is a state operated, cost-sharing, multiple employer public employee retirement system. PERS provides retirement benefits to vested employees who are eligible to retire based upon years of service. PERS also provides survivor and disability benefits to vested employees.

Contribution rates are also prescribed by the Ohio Revised Code. The Library's PERS members contributed 8.5% of their gross salaries. The Library contributed an amount equal to 10.84% for 2000 and 13.55% for 1999 of participants' gross salaries. The Library has paid all contributions required through December 31, 2000.

6. RISK MANAGEMENT

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

The Library also provides health insurance and life insurance coverage to full-time employees through a private carrier.

**COSHOCTON PUBLIC LIBRARY
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

7. DONATION OF FUNDS

In November 1999, the Johnson-Humrickhouse Museum Foundation was created as a nonprofit corporation pursuant to the provisions of Chapter 1702, Ohio Revised Code. Its purpose is to provide assistance to the museum. Through resolution of the Library, approved on November 2, 1999, the Library Board transferred all of the private funds and stocks belonging to the Johnson-Humrickhouse Museum to the Johnson-Humrickhouse Museum Foundation. These funds were made up of private donations of stock to the Library for the Johnson-Humrickhouse Museum. The amount of \$897,806 is reflected as a donation within the Non-Expendable Trust Fund.



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL
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 accompanying financial statements of the Coshocton Public Library, Coshocton County, Ohio, (the Library) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated April 23, 2001. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Library's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the Library's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Coshocton Public Library
Coshocton County
Report of Independent Accountants on Compliance and on Internal Control
Required by *Government Auditing Standards*
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This report is intended for the information and use of the audit committee, management, and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

April 23, 2001



STATE OF OHIO
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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
MAY 29, 2001**