



**Auditor of State  
Betty Montgomery**



COSHOCTON PUBLIC LIBRARY  
COSHOCTON COUNTY

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**Auditor of State  
Betty Montgomery**

**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 the Coshocton Public Library, Coshocton County, Ohio, (the Library) as of and for the years ended December 31, 2002 and 2001. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit 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 audit provides 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, 2002 and 2001, 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 18, 2003 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 audit.

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.

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

**Betty Montgomery**  
Auditor of State

April 18, 2003

**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, 2002**

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
<b>Cash Receipts:</b>					
State Library Local Government Support	\$1,381,250	\$0	\$0	\$0	\$1,381,250
Other Government Grants-In-Aid		11,470			11,470
Patron Fines and Fees	31,452	1,646			33,098
Earnings on Investments	31,632	793	27,760	13	60,198
Charges for Services		11,265			11,265
Contributions, Gifts and Donations	4,344	60,498		3,843	68,685
Miscellaneous Receipts	646	616			1,262
<b>Total Cash Receipts</b>	<u>1,449,324</u>	<u>86,288</u>	<u>27,760</u>	<u>3,856</u>	<u>1,567,228</u>
<b>Cash Disbursements:</b>					
Current:					
Salaries and Benefits	790,399	93,528			883,927
Purchased and Contracted Services	154,295	43,095			197,390
Supplies	30,375	3,176	1,600	1,943	37,094
Library Materials and Information	204,718	329			205,047
Other	14,577	532			15,109
Capital Outlay	14,863	1,216	52,759	2,084	70,922
<b>Total Cash Disbursements</b>	<u>1,209,227</u>	<u>141,876</u>	<u>54,359</u>	<u>4,027</u>	<u>1,409,489</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>240,097</u>	<u>(55,588)</u>	<u>(26,599)</u>	<u>(171)</u>	<u>157,739</u>
<b>Other Financing Receipts/(Disbursements):</b>					
Transfers-In		49,249	265,000		314,249
Transfers-Out	(314,249)				(314,249)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(314,249)</u>	<u>49,249</u>	<u>265,000</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(74,152)	(6,339)	238,401	(171)	157,739
Fund Cash Balances, January 1	1,084,332	10,743	555,532	171	1,650,778
<b>Fund Cash Balances, December 31</b>	<u><b>\$1,010,180</b></u>	<u><b>\$4,404</b></u>	<u><b>\$793,933</b></u>	<u><b>\$0</b></u>	<u><b>\$1,808,517</b></u>
Reserves for Encumbrances, December 31	<u>\$46,066</u>	<u>\$1,464</u>	<u>\$900</u>	<u>\$0</u>	<u>\$48,430</u>

*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, 2001**

	<u>Governmental Fund Types</u>			<u>Fiduciary</u>	<u>Totals</u> <u>(Memorandum</u> <u>Only)</u>
	<u>General</u>	<u>Special</u> <u>Revenue</u>	<u>Capital</u> <u>Projects</u>	<u>Expendable</u> <u>Trust</u>	
<b>Cash Receipts:</b>					
State Library Local Government Support	\$1,498,078	\$0	\$0	\$0	\$1,498,078
Other Government Grants-In-Aid		15,293			15,293
Patron Fines and Fees	30,017	2,310			32,327
Earnings on Investments	53,315	1,272	24,836	21	79,444
Charges for Services		11,481			11,481
Contributions, Gifts and Donations	5,320	51,358	33,566	6,668	96,912
Miscellaneous Receipts	3,457	210	5,603		9,270
	<u>1,590,187</u>	<u>81,924</u>	<u>64,005</u>	<u>6,689</u>	<u>1,742,805</u>
<b>Total Cash Receipts</b>					
<b>Cash Disbursements:</b>					
Current:					
Salaries and Benefits	772,270	87,723			859,993
Purchased and Contracted Services	153,273	37,316	13,800	2,393	206,782
Supplies	31,413	3,243			34,656
Library Materials and Information	233,665	2,897			236,562
Other	12,523	2,457			14,980
Capital Outlay	14,971	775	147,870	4,150	167,766
	<u>1,218,115</u>	<u>134,411</u>	<u>161,670</u>	<u>6,543</u>	<u>1,520,739</u>
<b>Total Cash Disbursements</b>					
Total Cash Receipts Over/(Under) Cash Disbursements	<u>372,072</u>	<u>(52,487)</u>	<u>(97,665)</u>	<u>146</u>	<u>222,066</u>
<b>Other Financing Receipts/(Disbursements):</b>					
Proceeds from Sales of Property	361				361
Transfers-In		46,904	130,000		176,904
Transfers-Out	(176,904)				(176,904)
	<u>(176,543)</u>	<u>46,904</u>	<u>130,000</u>	<u>0</u>	<u>361</u>
<b>Total Other Financing Receipts/(Disbursements)</b>					
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	195,529	(5,583)	32,335	146	222,427
Fund Cash Balances, January 1	888,803	16,326	523,197	25	1,428,351
<b>Fund Cash Balances, December 31</b>	<u><b>\$1,084,332</b></u>	<u><b>\$10,743</b></u>	<u><b>\$555,532</b></u>	<u><b>\$171</b></u>	<u><b>\$1,650,778</b></u>
Reserves for Encumbrances, December 31	<u>\$35,041</u>	<u>\$861</u>	<u>\$2,365</u>	<u>\$0</u>	<u>\$38,267</u>



COSHOCTON PUBLIC LIBRARY  
COSHOCTON COUNTY

STATEMENTS OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
NON-EXPENDABLE TRUST FUND  
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
<b>Non-Operating Cash Receipts:</b>		
Contributions and Donations		\$50,000
Fund Cash Balances, January 1	<u>143,602</u>	<u>93,602</u>
<b>Fund Cash Balances, December 31</b>	<b><u><u>\$143,602</u></u></b>	<b><u><u>\$143,602</u></u></b>
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, 2002 AND 2001**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Coshocton Public Library, Coshocton County, (the Library) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of Ohio. The Library is directed by a seven-member Board of Trustees appointed by 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**

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Certificates of deposit are valued at cost. Money market mutual funds (including STAR Ohio) are recorded at share values reported by the mutual fund.

**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.

**2. Special Revenue Funds**

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Library had the following significant Special Revenue Fund:

*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, 2002 AND 2001  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**3. Capital Project Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through 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 for the Library.

**4. Fiduciary Funds (Trust Funds)**

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.

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

A summary of 2002 and 2001 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. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the basis of accounting the Library uses.

**COSHOCTON PUBLIC LIBRARY  
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	2002	2001
Demand deposits	\$1,345,609	\$674,794
Certificates of deposit	605,549	705,000
Total deposits	1,951,158	1,379,794
STAR Ohio	961	414,586
 Total deposits and investments	 \$1,952,119	 \$1,794,380

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the Library, or (3) collateralized by the financial institution's public entity deposit pool.

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,855,641	\$1,569,542	\$286,099
Special Revenue	152,086	143,340	8,746
Capital Projects	548,865	55,259	493,606
Fiduciary	4,027	4,027	0
Total	\$2,560,619	\$1,772,168	\$788,451

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,677,803	\$1,430,060	\$247,743
Special Revenue	143,294	135,272	8,022
Capital Projects	315,699	164,035	151,664
Fiduciary	6,689	6,543	146
Total	\$2,143,485	\$1,735,910	\$407,575

**COSHOCTON PUBLIC LIBRARY  
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**4. GRANTS-IN-AID**

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 based on any additional revenues the Library receives.

**5. RETIREMENT SYSTEM**

The Ohio Public Employees Retirement System (OPERS) is a state operated, cost-sharing, multiple employer public employee retirement system. OPERS 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 prescribed by the Ohio Revised Code. The Library's OPERS members contributed 8.5% of their gross salaries. The Library contributed an amount equal to 13.55% of participants' gross salaries for 2002 and 2001. The Library has paid all contributions required through December 31, 2002.

**6. RISK MANAGEMENT**

**Commercial Insurance**

The Library has obtained commercial insurance for the following risks:

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

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



**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT 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, 2002 and 2001, and have issued our report thereon dated April 18, 2003. 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 *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 audit 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.

However, we noted immaterial instances of noncompliance that we have reported to management of the Library in a separate letter dated April 18, 2003.

**Internal Control Over Financial Reporting**

In planning and performing our audit, 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.

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However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Library in a separate letter dated April 18, 2003.

This report is intended solely 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.

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

**Betty Montgomery**  
Auditor of State

April 18, 2003





**Auditor of State  
Betty Montgomery**

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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  
JUNE 10, 2003**