



Dave Yost · Auditor of State



**PUSKARICH PUBLIC LIBRARY  
HARRISON COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Puskarich Public Library  
Harrison County  
200 East Market Street  
Cadiz, Ohio 43907

To the Board of Trustees:

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

We have audited the accompanying financial statements and related notes of the Puskarich Public Library, Harrison County, Ohio (the Library), as of and for the years ended December 31, 2014 and 2013.

### ***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 §117.38 and Ohio Administrative Code §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 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 opinion.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1.B of the financial statements, the Library prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code §117.38 and Ohio Administrative Code §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 §117.38 and Ohio Administrative Code §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, 2014 and 2013, or changes in financial position or cash flows 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 combined cash balances of the Puskarich Public Library, Harrison County, as of December 31, 2014 and 2013, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code §117.38 and Ohio Administrative Code §117-2-03(D) permit, described in Note 1.B.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2015, 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.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

June 17, 2015

**PUSKARICH PUBLIC LIBRARY  
HARRISON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	General	Special Revenue	Capital Projects	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$222,309				\$222,309
Public Library	420,116				420,116
Intergovernmental	31,046				31,046
Patron Fines and Fees	22,466				22,466
Contributions, Gifts and Donations	4,126	\$14,825			18,951
Earnings on Investments	434	2,554	\$626	\$63	3,677
Miscellaneous	5,442				5,442
<i>Total Cash Receipts</i>	<u>705,939</u>	<u>17,379</u>	<u>626</u>	<u>63</u>	<u>724,007</u>
<b>Cash Disbursements</b>					
Current:					
Library Services:					
Public Services and Programs	637,315	5,093	3,045		645,453
Capital Outlay	47,292	6,320	1,379		54,991
Debt Service:					
Principal Retirement	1,307				1,307
Interest and Fiscal Charges	7				7
<i>Total Cash Disbursements</i>	<u>685,921</u>	<u>11,413</u>	<u>4,424</u>	<u>0</u>	<u>701,758</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>20,018</u>	<u>5,966</u>	<u>(3,798)</u>	<u>63</u>	<u>22,249</u>
<b>Other Financing Receipts (Disbursements)</b>					
Transfers In					70,000
Transfers Out	(70,000)				(70,000)
Other Financing Sources	464				464
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(69,536)</u>	<u>0</u>	<u>70,000</u>	<u>0</u>	<u>464</u>
<i>Net Change in Fund Cash Balances</i>	<u>(49,518)</u>	<u>5,966</u>	<u>66,202</u>	<u>63</u>	<u>22,713</u>
<i>Fund Cash Balances, January 1</i>	<u>132,106</u>	<u>92,335</u>	<u>231,116</u>	<u>28,290</u>	<u>483,847</u>
<b>Fund Cash Balances, December 31</b>					
Nonspendable					25,549
Restricted		98,301	297,318	2,804	398,423
Assigned	18,026				18,026
Unassigned	64,562				64,562
<i>Fund Cash Balances, December 31</i>	<u>\$82,588</u>	<u>\$98,301</u>	<u>\$297,318</u>	<u>\$28,353</u>	<u>\$506,560</u>

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

PUSKARICH PUBLIC LIBRARY  
HARRISON COUNTY

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Enterprise</u>
<b>Operating Cash Disbursements</b>	
Purchased and Contracted Services	\$2,400
Other	<u>869</u>
<i>Total Operating Cash Disbursements</i>	<u>3,269</u>
<i>Operating (Loss)</i>	<u>(3,269)</u>
<b>Non-Operating Receipts</b>	
Earnings on Investments	<u>6,041</u>
<i>Total Non-Operating Receipts</i>	<u>6,041</u>
<i>Net Change in Fund Cash Balances</i>	2,772
<i>Fund Cash Balances, January 1</i>	<u>16,785</u>
<i>Fund Cash Balances, December 31</i>	<u>\$19,557</u>

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

**PUSKARICH PUBLIC LIBRARY  
HARRISON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General	Special Revenue	Capital Projects	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$205,824				\$205,824
Public Library	428,394				428,394
Intergovernmental	30,872				30,872
Patron Fines and Fees	24,383				24,383
Contributions, Gifts and Donations	3,816	\$10,512			14,328
Earnings on Investments	991	2,354	\$105		3,450
Miscellaneous	13,419				13,419
<i>Total Cash Receipts</i>	<u>707,699</u>	<u>12,866</u>	<u>105</u>	<u>\$0</u>	<u>720,670</u>
<b>Cash Disbursements</b>					
Current:					
Library Services:					
Public Services and Programs	608,063	5,208		22	613,293
Capital Outlay	36,553	4,020			40,573
Debt Service:					
Principal Retirement	7,662				7,662
Interest and Fiscal Charges	191				191
<i>Total Cash Disbursements</i>	<u>652,469</u>	<u>9,228</u>	<u>0</u>	<u>22</u>	<u>661,719</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>55,230</u>	<u>3,638</u>	<u>105</u>	<u>(22)</u>	<u>58,951</u>
<b>Other Financing Receipts (Disbursements)</b>					
Transfers In					60,000
Transfers Out	(60,000)				(60,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(60,000)</u>	<u>0</u>	<u>60,000</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	<u>(4,770)</u>	<u>3,638</u>	<u>60,105</u>	<u>(22)</u>	<u>58,951</u>
<i>Fund Cash Balances, January 1</i>	<u>136,876</u>	<u>88,697</u>	<u>171,011</u>	<u>28,312</u>	<u>424,896</u>
<b>Fund Cash Balances, December 31</b>					
Nonspendable				25,549	25,549
Restricted		92,335	231,116	2,741	326,192
Assigned	19,231				19,231
Unassigned	112,875				112,875
<i>Fund Cash Balances, December 31</i>	<u>\$132,106</u>	<u>\$92,335</u>	<u>\$231,116</u>	<u>\$28,290</u>	<u>\$483,847</u>

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

PUSKARICH PUBLIC LIBRARY  
HARRISON COUNTY

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Enterprise</u>
<b>Operating Cash Disbursements</b>	
Purchased and Contracted Services	\$407
Other	<u>896</u>
<i>Total Operating Cash Disbursements</i>	<u>1,303</u>
<i>Operating (Loss)</i>	<u>(1,303)</u>
<b>Non-Operating Receipts</b>	
Earnings on Investments	<u>6,000</u>
<i>Total Non-Operating Receipts</i>	<u>6,000</u>
<i>Net Change in Fund Cash Balances</i>	4,697
<i>Fund Cash Balances, January 1</i>	<u>12,088</u>
<i>Fund Cash Balances, December 31</i>	<u>\$16,785</u>

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

**PUSKARICH PUBLIC LIBRARY  
HARRISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The Puskarich Public Library was organized as a school district public library in 1910 under the laws of the State of Ohio. The Library has its own Board of Trustees of seven members who are appointed by the Harrison Hills CSD Board of Education. Appointments are for seven-year terms and members serve without compensation. Under Ohio statutes, the Library is a body politic and corporate 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 §§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.

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.

Under the provisions of Statement No. 14 of the Government Accounting Standards Board, "The Financial Reporting Entity," the Library is considered to be a related organization of the Harrison Hills City School District.

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.

The Friends of Clark Memorial Library and Friends of the Scio Branch Library are not-for-profit organizations with self-appointing boards. 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 the ability to access the economic resources of the friends of the library groups, nor are the resources significant to the Library. Therefore, these organizations have been excluded from the reporting entity of the Library.

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

**PUSKARICH PUBLIC LIBRARY  
HARRISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**B. Accounting Basis**

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code §117.38 and Ohio Administrative Code §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 §117.38 and Ohio Administrative Code §117-2-03(D) permit.

**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.

The Library values common stock at fair value when donated.

**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 accounts for and reports all financial resources not accounted for and reported in another fund.

**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:

*Gates Grant* - The Library received this grant to purchase equipment and supplies for the Library.

*Donation Fund* - This fund receives donations to be used as needed by the Library.

**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:

*Technology Replacement Fund* - This fund is used to update technology services provided by the Library.

**PUSKARICH PUBLIC LIBRARY  
HARRISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**D. Fund Accounting (Continued)**

**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 government or its citizenry). The Library had the following significant Permanent Fund:

*Smiley Trust* - This fund receives interest earned and is used for support of the Library in general.

**5. Enterprise Funds**

These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Library had the following significant Enterprise Fund:

*Maintenance Fund* - This fund derives its income from the rental of the Scio Branch Building lower level that is not used for library purposes. This fund is used to pay for items needed to operate and maintain the Scio Branch Library Building.

**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 2014 and 2013 budgetary activity appears in Note 3.

**F. Fund Balance**

Fund balance is divided into four classifications based primarily on the extent to which the Library must observe constraints imposed upon the use of its governmental-fund resources.

**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.

**PUSKARICH PUBLIC LIBRARY  
HARRISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**F. Fund Balance (Continued)**

The classifications are as follows:

**3. 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.

**4. 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**

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.

**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:

	2014	2013
Demand deposits	\$479,912	\$454,427
Total deposits	479,912	454,427
Donated common stock (at fair value when donated).	46,205	46,205
Total investments	46,205	46,205
Total deposits and investments	<u><u>\$526,117</u></u>	<u><u>\$500,632</u></u>

**PUSKARICH PUBLIC LIBRARY  
HARRISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**2. Equity in Pooled Deposits and Investments (Continued)**

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

**Investments:** The common stocks owned by the Library were donations and were not purchased by the Library. These stocks are reported at the value that they were at the time of donation. Any gain or loss will be reported when the stocks are liquidated.

**3. Budgetary Activity**

Budgetary activity for the years ending December 31, 2014 and 2013, follows:

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$677,088	\$706,403	\$29,315
Special Revenue	12,004	17,379	5,375
Capital Projects		70,626	70,626
Permanent		63	63
Enterprise	6,000	6,041	41
Total	<u><u>\$695,092</u></u>	<u><u>\$800,512</u></u>	<u><u>\$105,420</u></u>

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$809,191	\$773,947	\$35,244
Special Revenue	63,076	11,641	51,435
Capital Projects	231,110	4,424	226,686
Permanent	2,735		2,735
Enterprise	22,775	3,269	19,506
Total	<u><u>\$1,128,887</u></u>	<u><u>\$793,281</u></u>	<u><u>\$335,606</u></u>

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$689,895	\$707,699	\$17,804
Special Revenue		12,866	12,866
Capital Projects		60,105	60,105
Enterprise		6,000	6,000
Total	<u><u>\$689,895</u></u>	<u><u>\$786,670</u></u>	<u><u>\$96,775</u></u>

**PUSKARICH PUBLIC LIBRARY  
HARRISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**3. Budgetary Activity (Continued)**

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$826,771	\$731,699	\$95,072
Special Revenue	47,613	9,283	38,330
Capital Projects	170,000		170,000
Permanent	2,760	22	2,738
Enterprise	12,000	1,303	10,697
Total	<u>\$1,059,144</u>	<u>\$742,307</u>	<u>\$316,837</u>

**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. This method of distribution is called the "percentage of revenue" method. This method was not used for August 2011 through June 2013. During that 23 month period PLF received a designated percentage of the dollar amounts received by the fund during the corresponding month of the fiscal year 2011 "base-year" period. Effective July 2013 the statutory allocation method reverted to the "percentage of revenue" method for PLF distribution. The fund received an amount equal to a specified percentage of the amount of GRF tax revenue received during the previous month. Beginning with the July 2013 distribution the "statutory allocation method" was implemented. The calendar year 2013 entitlements were used in the computation as the basis of each county's allocation percentage. Those percentages were used through December 2013. In December 2013 the actual calendar year entitlement was computed. Any difference was adjusted evenly to the PLF distributions from January-June 2014. In calendar year 2014 the statutory entitlement computation method continued. Estimated entitlement figures were issued to County Auditors in July 2013, December 2013 and June 2014. The actual 2014 entitlements will be computed in December 2014. The difference between the estimate and actual will be adjusted evenly in the PLF distributions made from January-June 2015.

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 (Intergovernmental receipts). 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.

Public utilities are also taxed on personal and real property located within the taxing district.

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

**5. Debt**

The Library procured a loan for the purchase and renovation of the Scio Branch Library in 2000 from Harrison County. This loan was paid in full in 2014.

**PUSKARICH PUBLIC LIBRARY  
HARRISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**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 2014 and 2013, OPERS members contributed 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, 2014.

**7. Risk Management**

**Risk Pool Membership**

The Library belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to §2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retains 41.5% (effective November 1, 2011) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Effective November 1, 2012 (and through October 2014) the plan increased its retention to 50% of the first \$250,000 casualty treaty. The Plan's property retention remained unchanged from prior years. This change was made to balance the reinsurance market conditions. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 767 and 774 members as of December 31, 2012 and 2013 respectively.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

**PUSKARICH PUBLIC LIBRARY  
HARRISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**7. Risk Management (Continued)**

**Risk Pool Membership (Continued)**

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2012 and 2013 (the latest information available):

	<b>2012</b>	<b>2013</b>
Assets	\$13,100,381	\$13,774,304
Liabilities	(6,687,193)	(7,968,395)
Members' Equity	<u>\$6,413,188</u>	<u>\$5,805,909</u>

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Puskarich Public Library  
Harrison County  
200 East Market Street  
Cadiz, Ohio 43907

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 Puskarich Public Library, Harrison County, Ohio (the Library), as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, and have issued our report thereon dated June 17, 2015, wherein we noted the Library followed financial reporting provisions Ohio Revised Code §117.38 and Ohio Administrative Code §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 opinion 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.

Puskarich Public Library  
Harrison County  
Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

***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.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

June 17, 2015



# Dave Yost • Auditor of State

PUSKARICH PUBLIC LIBRARY

HARRISON 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.

A handwritten signature in cursive script that reads "Susan Babbitt".

CLERK OF THE BUREAU

CERTIFIED  
JULY 7, 2015