



Dave Yost • Auditor of State



**COSHOCTON PUBLIC LIBRARY  
COSHOCTON COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types FYE 12/31/16.....	3
Statement of Receipts, Disbursements and Changes in Fund Balance (Cash Basis) – Private Purpose Trust Fund FYE 12/31/16.....	4
Notes to the Financial Statements FYE 12/31/16.....	5
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types FYE 12/31/15.....	11
Statement of Receipts, Disbursements and Changes in Fund Balance (Cash Basis) - Private Purpose Trust Fund FYE 12/31/15 .....	12
Notes to the Financial Statements FYE 12/31/15.....	13
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	19

**This page intentionally left blank.**



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

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

To the Board of Trustees:

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

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Coshocton Public Library, Coshocton County, Ohio (the Library), as of and for the years ended December 31, 2016 and 2015.

### ***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 opinions.

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

As described in Notes 1 and 2 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, 2016 and 2015, or changes in financial position 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 Coshocton Public Library, Coshocton County, Ohio, as of December 31, 2016 and 2015, 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 Notes 1 and 2.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 7, 2017, 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

August 7, 2017

COSHOCTON PUBLIC LIBRARY, COSHOCTON COUNTY

**Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis)**

**All Governmental Fund Types**

For the Year Ended December 31, 2016

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts</b>					
Public Library	\$1,140,570	\$0	\$0	\$0	\$1,140,570
Intergovernmental	0	8,838	4,845	0	13,683
Patron Fines and Fees	22,778	14,156	0	0	36,934
Contributions, Gifts and Donations	3,340	80,768	76,500	0	160,608
Earnings on Investments	3,210	85	3,770	866	7,931
Miscellaneous	6,048	4,125	0	0	10,173
<b>Total Cash Receipts</b>	<b>1,175,946</b>	<b>107,972</b>	<b>85,115</b>	<b>866</b>	<b>1,369,899</b>
<b>Cash Disbursements</b>					
Current:					
Library Services:					
Public Services and Programs	637,472	59,545	0	0	697,017
Collection Development and Processing	148,715	18,533	0	3,481	170,729
Support Services:					
Facilities Operation and Maintenance	124,468	42,301	0	0	166,769
Information Services	60,042	1,103	0	0	61,145
Business Administration	175,076	35,807	0	0	210,883
Capital Outlay	0	0	91,878	0	91,878
<b>Total Cash Disbursements</b>	<b>1,145,773</b>	<b>157,289</b>	<b>91,878</b>	<b>3,481</b>	<b>1,398,421</b>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>30,173</i>	<i>(49,317)</i>	<i>(6,763)</i>	<i>(2,615)</i>	<i>(28,522)</i>
<b>Other Financing Receipts (Disbursements)</b>					
Sale of Capital Assets	0	384	0	0	384
Transfers In	0	54,488	0	0	54,488
Transfers Out	(54,488)	0	0	0	(54,488)
Advances In	50,000	50,000	0	0	100,000
Advances Out	(50,000)	(50,000)	0	0	(100,000)
<b>Total Other Financing Receipts (Disbursements)</b>	<b>(54,488)</b>	<b>54,872</b>	<b>0</b>	<b>0</b>	<b>384</b>
<i>Net Change in Fund Cash Balances</i>	<i>(24,315)</i>	<i>5,555</i>	<i>(6,763)</i>	<i>(2,615)</i>	<i>(28,138)</i>
<i>Fund Cash Balances, January 1</i>	<i>\$703,436</i>	<i>\$10,295</i>	<i>\$727,225</i>	<i>\$175,876</i>	<i>1,616,832</i>
<b>Fund Cash Balances, December 31</b>					
Nonspendable	0	0	0	67,068	67,068
Restricted	0	0	0	106,193	106,193
Committed	0	15,850	0	0	15,850
Assigned	46,970	0	720,462	0	767,432
Unassigned (Deficit)	632,151	0	0	0	632,151
<b>Fund Cash Balances, December 31</b>	<b>\$679,121</b>	<b>\$15,850</b>	<b>\$720,462</b>	<b>\$173,261</b>	<b>\$1,588,694</b>

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

COSHOCOTON PUBLIC LIBRARY, COSHOCTON COUNTY  
**Statement of Receipts, Disbursements and Changes in Fund  
Balance (Cash Basis)**  
For the Year Ended December 31, 2016

	<b>Private Purpose Trust</b>
<b>Operating Cash Receipts</b>	
Contributions, Gifts and Donations	\$457
<i>Total Operating Cash Receipts</i>	457
 <b>Operating Cash Disbursements</b>	
Purchased and Contracted Services	445
Other	12
<i>Total Operating Cash Disbursements</i>	457
 <i>Operating Income (Loss)</i>	0
 <i>Fund Cash Balances, January 1</i>	0
 <i>Fund Cash Balances, December 31</i>	\$0

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



**Coshocton Public Library**  
*Coshocton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

---

**Note 1 - Reporting Entity**

The Coshocton Public Library (the Library), Coshocton County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Coshocton County Commissioners appoint three members and the Court of Common Pleas Judge appoints four members to comprise 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.

**Note 2 - Summary of Significant Accounting Policies**

***Basis of Presentation***

The Library's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

***Fund Accounting***

The Library uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Library are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Library for any purpose provided it is expended or transferred according to the general laws of Ohio.

***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:

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

***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 Funds:

***Library Building Fund*** – This fund is used for capital improvements to the library building.

***Museum Building Fund*** – This fund is used for capital improvements to the museum building.

***Bookmobile Replacement Fund*** – This fund is used for the purchase of a bookmobile.

**Coshocton Public Library**  
*Coshocton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

---

**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:

**Library Endowment Fund** – This fund accounts for interest earned and used for library purchases.

**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.

The Library's private purpose trust fund is for the benefit of the Pomerene house currently occupied by the Pomerene Center of the Arts.

**Basis of Accounting**

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

**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, function, or object level of control as adopted by the library board of trustees.

A summary of 2016 budgetary activity appears in Note 3.

**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.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

**Coshocton Public Library**  
*Coshocton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

---

**Capital Assets**

The Library records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**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.

**Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the Library must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**Nonspendable** The Library classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**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.

**Committed** The Board of Trustees can *commit* amounts via formal action (resolution). The Library must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**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 the Library Board or a Library official delegated that authority by resolution, or by State Statute.

**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.

**Coshocton Public Library**  
*Coshocton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

**Note 3 - Budgetary Activity**

Budgetary activity for the year ending 2016 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,180,016	\$1,175,946	(\$4,070)
Special Revenue	183,000	162,844	(20,156)
Capital Projects	80,791	85,115	4,324
Permanent	600	866	266
Private Purpose Trust	500	457	(43)
Total	\$1,444,907	\$1,425,228	(\$19,679)

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,292,634	\$1,236,935	\$55,699
Special Revenue	185,942	164,360	21,582
Capital Projects	216,191	95,102	121,089
Permanent	5,000	3,481	1,519
Private Purpose Trust	500	457	43
Total	\$1,700,267	\$1,500,335	\$199,932

**Note 4 - 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:

Demand deposits	2016 \$122,535
Total cash and deposits	122,535
STAR Ohio	1,466,159
Total investments	1,466,159
Total deposits and investments	\$1,588,694

**Deposits**

Deposits are insured by the Federal Deposit Insurance Corporation.

**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*  
*For the Year Ended December 31, 2016*

---

**Note 5 - Grants-in-Aid and Taxes**

***Grants-in-Aid***

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 using the statutory allocation method. Estimated entitlement figures were issued to County Auditors. The actual current year entitlements were computed in December of the current year. The difference between the estimate and actual will be adjusted evenly in the PLF distributions made from January-June of the subsequent year.

**Note 6 - Risk Management**

The Library participates in the Ohio Library Council's workers' compensation group rating program.

**Commercial Insurance**

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicle;
- Errors and omissions; and
- Fine arts.

**Note 7 - Defined Benefit Pension Plan**

***Ohio Public Employees 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. 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, 2016.

**Note 8 - Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. OPERS contributes 2 percent of the employer contribution to fund these benefits.

**Coshocton Public Library**  
*Coshocton County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2016*

---

**Note 9 - Leases**

The Library leases a building under a noncancelable lease. The Library disbursed \$8,400 to pay building lease costs for the year ended December 31, 2016.

**Note 10 - Construction and Contractual Commitments**

The Library has committed to purchasing a 2017 or current year bookmobile.

COSHOCKTON PUBLIC LIBRARY, COSHOCKTON COUNTY  
**Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis)**  
**All Governmental Fund Types**  
For the Year Ended December 31, 2015

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent</u>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts</b>					
Public Library	\$1,151,561	\$0	\$0	\$0	\$1,151,561
Intergovernmental	0	8,337	53,115	0	61,452
Patron Fines and Fees	24,462	13,794	0	0	38,256
Contributions, Gifts and Donations	4,382	76,585	83,633	0	164,600
Earnings on Investments	1,268	31	1,446	348	3,093
Miscellaneous	5,250	1,389	13,316	0	19,955
<i>Total Cash Receipts</i>	<u>1,186,923</u>	<u>100,136</u>	<u>151,510</u>	<u>348</u>	<u>\$1,438,917</u>
<b>Cash Disbursements</b>					
Current:					
Library Services:					
Public Services and Programs	647,115	61,077	0	0	708,192
Collection Development and Processing	140,145	17,440	0	2,851	160,436
Support Services:					
Facilities Operation and Maintenance	115,369	41,232	0	0	156,601
Information Services	69,735	844	0	0	70,579
Business Administration	175,431	36,275	0	0	211,706
Capital Outlay	9,028	0	164,693	0	173,721
<i>Total Cash Disbursements</i>	<u>1,156,823</u>	<u>156,868</u>	<u>164,693</u>	<u>2,851</u>	<u>1,481,235</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>30,100</u>	<u>(56,732)</u>	<u>(13,183)</u>	<u>(2,503)</u>	<u>(42,318)</u>
<b>Other Financing Receipts (Disbursements)</b>					
Sale of Capital Assets	0	200	0	0	200
Transfers In	0	53,700	0	0	53,700
Transfers Out	(53,700)	0	0	0	(53,700)
Advances In	52,000	52,000	0	0	104,000
Advances Out	(52,000)	(52,000)	0	0	(104,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(53,700)</u>	<u>53,900</u>	<u>0</u>	<u>0</u>	<u>200</u>
<i>Net Change in Fund Cash Balances</i>	<u>(23,600)</u>	<u>(2,832)</u>	<u>(13,183)</u>	<u>(2,503)</u>	<u>(42,118)</u>
<i>Fund Cash Balances, January 1</i>	<u>727,036</u>	<u>13,127</u>	<u>740,408</u>	<u>178,379</u>	<u>1,658,950</u>
<b>Fund Cash Balances, December 31</b>					
Nonspendable	0	0	0	67,068	67,068
Restricted	0	0	0	108,808	108,808
Committed	0	10,295	0	0	10,295
Assigned	28,001	0	727,225	0	755,226
Unassigned (Deficit)	675,435	0	0	0	675,435
<i>Fund Cash Balances, December 31</i>	<u>\$703,436</u>	<u>\$10,295</u>	<u>\$727,225</u>	<u>\$175,876</u>	<u>\$1,616,832</u>

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

COSHOCTON PUBLIC LIBRARY, COSHOCTON COUNTY  
**Statement of Receipts, Disbursements and Changes in Fund  
 Balance (Cash Basis)  
 Private Purpose Trust Fund**  
 For the Year Ended December 31, 2015

	<b>Private Purpose Trust</b>
<b>Operating Cash Receipts</b>	
Contributions, Gifts and Donations	\$317
<i>Total Operating Cash Receipts</i>	317
 <b>Operating Cash Disbursements</b>	
Purchased and Contracted Services	461
Other	12
<i>Total Operating Cash Disbursements</i>	473
 <i>Operating Income (Loss)</i>	(156)
 <i>Fund Cash Balances, January 1</i>	156
 <i>Fund Cash Balances, December 31</i>	\$0

*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, 2015

**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 or the Court of Common Pleas Judge appoints 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 permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 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 Section 117.38 and Ohio Administrative Code Section 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.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

**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:

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

Coshocton Public Library  
Coshocton County  
Notes to the Financial Statements  
December 31, 2015

**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 Funds:

Library Building Fund used to provide capital improvements to the Library  
Museum Building Fund used to provide capital improvements to the Museum  
Bookmobile Replacement Fund used to provide for the purchase of a library bookmobile  
Automated Library System Fund used to purchase or update automated information systems of the library.

**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:

Library Endowment Fund of which the proceeds of invested funds are credited to the fund to offset operation 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.

The Library's private purpose trust fund is for the benefit of the Pomerene house presently occupied by the Pomerene Center for the Arts, a non-profit organization.

**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, or object level of control as adopted by the Board of Trustees.

A summary of 2015 budgetary activity appears in Note 3.

**F. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the Library must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**1. Nonspendable**

The Library classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Coshocton Public Library  
Coshocton County  
Notes to the Financial Statements  
December 31, 2015

**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.

**3. Committed**

Trustees can *commit* amounts via formal action (resolution). The Library must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**4. 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.

**5. 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.

Coshocton Public Library  
Coshocton County  
Notes to the Financial Statements  
December 31, 2015

**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:

	2015
Demand deposits	\$263,366
Total deposits	263,366
Star Plus	1,353,466
Total investments	1,353,466
Total deposits and investments	\$1,616,832

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

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the year ending 2015 follows:

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,186,860	\$1,186,923	\$63
Special Revenue	183,000	154,036	(28,964)
Capital Projects	176,943	151,510	(25,433)
Permanent	300	348	48
Private Purpose Trust	844	317	(527)
Total	\$1,547,947	\$1,493,134	(\$54,813)

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,256,965	\$1,238,525	\$18,440
Special Revenue	186,020	159,808	26,212
Capital Projects	225,277	182,983	42,294
Permanent	3,000	2,851	149
Private Purpose Trust	1,000	473	527
Total	\$1,672,262	\$1,584,640	\$87,622

**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.

Coshocton Public Library  
Coshocton County  
Notes to the Financial Statements  
December 31, 2015

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.

**5. 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 2015, OPERS members contribute 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, 2015.

**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.

**7. POST-EMPLOYMENT BENEFITS**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. OPERS contributes 2 percent of the employer contribution to fund these benefits.

**This page intentionally left blank.**



# 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

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

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 cash balances, receipts, and disbursements by fund type of the Coshocton Public Library, Coshocton County, Ohio (the Library), as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements and have issued our report thereon dated August 7, 2017, 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 opinions 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.

### ***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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

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

August 7, 2017





# Dave Yost • Auditor of State

**COSHOCTON PUBLIC LIBRARY**

**COSHOCTON COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 24, 2017**