



**NEW STRAITSVILLE PUBLIC LIBRARY  
PERRY COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**



**Auditor of State  
Betty Montgomery**



NEW STRAITSVILLE PUBLIC LIBRARY  
PERRY COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter .....	1
Independent Accountants' Report.....	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balance - For the Years Ended December 31, 2005 and 2004 .....	5
Notes to the Financial Statement.....	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	11

**This page intentionally left blank.**



**Auditor of State  
Betty Montgomery**

New Straitsville Public Library  
Perry County  
P.O. Box 8  
New Straitsville, Ohio 43766

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in cursive script that reads "Betty Montgomery".

**Betty Montgomery**  
Auditor of State

March 23, 2006

**This page intentionally left blank.**



## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

New Straitsville Public Library  
Perry County  
P.O. Box 8  
New Straitsville, Ohio 43766

To the Board of Trustees:

We have audited the accompanying financial statement of the New Straitsville Public Library, Perry County, Ohio (the Library), as of and for the years ended December 31, 2005 and 2004. This financial statement is the responsibility of the Library's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Library has prepared this financial statement using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Library to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2005 and 2004. While the Library does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Library has elected not to reformat its statement. Since this Library does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statement referred to above for the years ended December 31, 2005 and 2004 does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Library as of December 31, 2005 and 2004, or its changes in financial position for the year then ended.

Also, in our opinion, the financial statement referred to above presents fairly, in all material respects, the cash balance of the New Straitsville Public Library, Perry County, Ohio, as of December 31, 2005 and 2004, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Library to include Management's Discussion and Analysis for the years ended December 31, 2005 and 2004. The Library has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2006, on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



**Betty Montgomery**  
Auditor of State

March 23, 2006

**NEW STRAITSVILLE PUBLIC LIBRARY  
PERRY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCE  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

	<b>2005</b>	<b>2004</b>
<b>Cash Receipts:</b>		
Government Grants-In-Aid	\$ 121,700	\$ 130,408
Patron Fines and Fees	2,738	2,238
Earnings on Investments	279	411
Contributions, Gifts and Donations	308	159
Miscellaneous Receipts	1,313	1,258
 Total Cash Receipts	 126,338	 134,474
<b>Cash Disbursements:</b>		
Current:		
Salaries and Benefits	66,350	60,890
Purchased and Contracted Services	26,164	21,000
Other Objects	959	3,657
Library Materials and Information	42,167	41,203
Supplies	5,754	5,282
Capital Outlay	8,740	12,598
 Total Cash Disbursements	 150,134	 144,630
 Total Cash Receipts Over/(Under) Cash Disbursements	 (23,796)	 (10,156)
 Cash Balance, January 1	 56,213	 66,369
 <b>Cash Balance, December 31</b>	 <b>\$ 32,417</b>	 <b>\$ 56,213</b>

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

**This page intentionally left blank.**

**NEW STRAITSVILLE PUBLIC LIBRARY  
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2005 AND 2004**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The New Straitsville Public Library, Perry County (the Library), is a school district free public library established by resolution adopted by the Board of Education of the Southern Local School District, Perry County, to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio and by Ohio Rev. Code Sections 3375.33 through 3375.41. The Library is directed by an appointed seven-member Board of Trustees. The Library provides the community with various educational and literary resources.

The Library's management believes this financial statement presents all activities for which the Library is financially accountable.

**B. Basis of Accounting**

This financial statement follows the basis of accounting the Auditor of State prescribes or permits. This accounting basis is similar to the cash receipts and disbursements basis. The Library recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

This statement includes adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. Cash and Investments**

The Clerk/Treasurer invests all available funds of the Library in an interest-bearing checking account.

**D. Budgetary Process**

The Board must annually approve appropriation measures and subsequent amendments. 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 2005 and 2004 budgetary activity appears in Note 3.

**NEW STRAITSVILLE PUBLIC LIBRARY  
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2005 AND 2004  
(Continued)**

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

**E. 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.

**2. CASH AND INVESTMENTS**

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 follows:

	2005	2004
Demand deposits	\$ 32,267	\$ 56,113
Petty Cash	150	100
Total deposits	\$ 32,417	\$ 56,213

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2005 and 2004 follow:

2005 Budgeted vs. Actual Receipts		
Budgeted Receipts	Actual Receipts	Variance
\$ 123,500	\$ 126,338	\$ 2,838

2005 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation Authority	Budgetary Expenditures	Variance
\$ 177,222	\$ 150,134	\$ 27,088

2004 Budgeted vs. Actual Receipts		
Budgeted Receipts	Actual Receipts	Variance
\$ 123,808	\$ 134,474	\$ 10,666

2004 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation Authority	Budgetary Expenditures	Variance
\$ 187,168	\$ 144,630	\$ 42,538

**NEW STRAITSVILLE PUBLIC LIBRARY  
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2005 AND 2004  
(Continued)**

**4. GRANTS-IN-AID AND TAX RECEIPTS**

The primary source of revenue for Ohio public libraries is the State Library and Local Government Support Fund (LLGSF). The State allocates LLGSF 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. The Ohio Revised Code prescribes retirement benefits for vested employees who are eligible to retire based upon years of service. OPERS also provides survivor and disability benefits to vested employees as the Ohio Revised Code prescribes.

The Ohio Revised Code also prescribes contribution rates. The Library's OPERS members contributed 8.5 percent of their gross salaries. The Library contributed an amount equal to 13.55 percent of participants' gross salaries. The Library has paid all contributions required through December 31, 2005.

**6. RISK MANAGEMENT**

**Commercial Insurance**

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Directors and Officers Liability; and,
- Employee Dishonesty.

**This page intentionally left blank.**



**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

New Straitsville Public Library  
Perry County  
P.O. Box 8  
New Straitsville, Ohio 43766

To the Board of Trustees:

We have audited the financial statement of the New Straitsville Public Library, Perry County, Ohio (the Library), as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated March 23, 2006, wherein we noted the Library follows the accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Library's internal control over financial reporting to determine our auditing procedures in order to express our opinion on the financial statement and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

**Compliance and Other Matters**

As part of reasonably assuring whether the Library's financial statement is free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

743 E. State St. / Athens Mall Suite B / Athens, OH 45701  
Telephone: (740) 594-3300 (800) 441-1389 Fax: (740) 594-2110  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

New Straitsville Public Library  
Perry County  
Independent Accountants' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

We intend this report solely for the information and use of the Board of Trustees and management. It is not intended for 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

March 23, 2006



**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**NEW STRAITSVILLE PUBLIC LIBRARY**

**PERRY COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MAY 4, 2006**